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NEWS SUMMARY

GENERAL

Call for stronger EEC ties

The long-awaited Tindemans report on European union, published to-day, calls for strengthening of EEC institutions, but contains no major new vision of European integration.

The Community's original ambitious target of economic, monetary and political union by 1980, now universally regarded as unrealistic, is tacitly abandoned, writes Reginald Dale, Common Market Correspondent in Brussels.

The report, drawn up by Mr. Leo Tindemans, Belgian Premier, says the Nine's thrice-yearly summits should be properly integrated into the Community framework and given a central directive role.

The European Parliament should be given the right to initiate policies and the Council should give proper consideration to its views, the report adds.

Majority voting should become the regular practice in the Council of Ministers for all matters covered by the Rome Treaty.

The report says all nine countries should try to join the currency "snake." Page 6

Small reward for doctors

The independent audit of junior doctors' overtime pay bill shows it to be £2.3m. higher than the Government's estimates. But though this may be a victory in principle for the doctors it is likely to be seen as small reward for their persistence. Back Page

Fluoride cleared

Drinking water should contain fluoride for the sake of the nation's teeth, a Royal College of Physicians report says. The report rejects notions that fluoride can cause medical disorders ranging from cancer to lethargy. Page 8

Test sentence

Peter Chappell, 34, yesterday got nine months for damaging the Headingley Test pitch last year and three months for daubing walls. Two previous suspended sentences were added, making 18 months in all. His three George Davis campaigning companions each received suspended sentences.

Madrid strike

The Spanish Cabinet held an emergency meeting and promised "all means" to deal with the strike which has paralysed Madrid's underground railway system. Over 2,000 Metro workers have taken refuge in a church, surrounded by large squads of riot police. Page 6

Concorde hearing

British officials yesterday were pleased at the way the U.S. hearing on Concorde had gone. Transport Secretary, William Coleman, is expected to take a full month to decide if the plane can land in the U.S. Page 4

People and places

The Olympic Games will open on schedule in Montreal on July 17, the IOC confirmed, despite building delays. Winter Olympics organisers at Innsbruck have started importing snow to the thawing site.

Two men were arrested last night when they picked up a Frs.15m. ransome for kidnapped French record chief Louis Hazan.

Fourteen people died in an avalanche in Turkey yesterday.

Seven people were killed in Ankara after students were locked out by Rightists.

Four people died when fire swept seaside flats in Brighton.

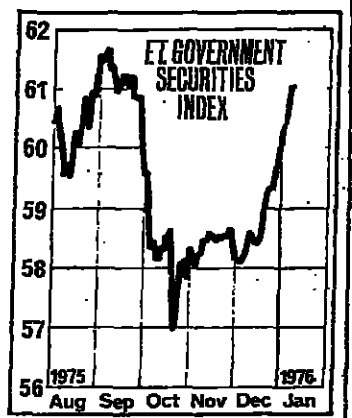
Venezuela's President Carlos Perez is to make an official visit to Britain later this year and Mr. Wilson and Mr. Callaghan may visit Venezuela. Venezuela's oil, Page 12

Dominic Wigan gave a 19½-1 starred treble yesterday. Racing, Page 2

BUSINESS

Long tap exhausted: Wall St. up 13

● GILTS overshadowed other markets yesterday when heavy buying brought sharp price rises and exhausted supplies of recently issued long-dated tap stock. Back Page. The FT Government Securities index recorded its largest one-day gain since August 22, rising 0.55 to 60.01. EQUITIES, meanwhile, were quieter, with the FT 30-share index putting on 3 points to 384.6.



● STERLING showed little change against the dollar at $2.0325, but its average depreciation widened to 30.1 per cent. (30.0). The dollar's widened to 2.17 per cent. (2.07).

● GOLD rose 75 cents. to $139¼.

● WALL STREET closed up 12.99 points at 890.82, for a twoday gain of 32.11. Trading was the highest since March 11, with 31.27m. shares traded.

Car production down 18%

● VEHICLE production estimates for December show a 16 per cent. drop in the number of new cars to 115,000 units, making a yearly total of 1.26m., or 18 per cent. below the 1974 figure—its lowest since 1962. Page 7

● BRITISH LEYLAND and TGWU moderates at the Cowley plant have launched a campaign to prevent extreme Left-wingers regaining the power they were forced to rlinquish 18 months ago. Back Page.

● LORD HILL has been appointed chairman of the Abbey National Building Society. Page 15

BSC to pay out £10m. more

● BSC, which expects to lose £340m. this financial year, is to pay about 67,000 manual workers rises of about 5 per cent., putting another £10m. on its wage bill. Negotiations for another 90,000 employees follow to-day. Back Page. Meanwhile, an all-party committee of MPs is to investigate the corporation, following its proposals to cut losses by shedding 44,000 jobs. Page 8

● LONDON dock workers' negotiators have accepted a £6 pay rise for 10,000 dockers. Page 9

● BANK UNION members and staff associations of three of the main clearing banks have failed to agree in talks aimed at setting up a single bank trade union. Page 9

● U.K. COLOUR TV manufacturers will have to import up to 75 per cent. of their television tubes at a cost of £30m. a year, following the closure of Thorn Electrical's tube factory at Skelmersdale. Mullard, the only other U.K. producer, exports 35 per cent. of its 600,000 production. Page 7

COMPANIES

● WILKINSON MATCH report marginally improved pre-tax profits for the six months to September 30 of £4.80m. against £4.52m. making £7.76m. Page 14 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Electric 4½pc '74-79	£85⅝	+ ⅜
Treas. 13¼pc '97 'A'	£91½	+ 1½
Treas. 7¾pc 2012-15	£53¾	+ 1
Anglo Amer. Ind.	680	+ 30
Aust. Agriculture	98	+ 6
Birmingham Pallet	59	+ 4
Brockhouse (J.)	180	+ 8
Brotherhood (P.)	75	+ 4
Cathy Secs.	29	+ 11
Coated Metals	90	+ 5
Emu Wine	147	+ 20
Extel	83	+ 10
ICI	341	+ 4
Intnl. Computers	121	+ 5
Land Secs.	194	+ 4
Lloyds Bank	242	+ 7
Lloyds and Scottish	83	+ 5
Marks and Spencer	104	+ 5
Morgan Grampian	56	+ 5
Nash (J. F.) Secs.	49	+ 5
Philips' Lamp	940	+ 25
Stock Conversion	175	+ 8
Stothert and Pitt	103	+ 5
Thompson-Reid	22	+ 7
Ultra Elect.	54	+ 5
United Real Prop.	200	+ 15
W'minster Ctry. Prop.	21	+ 6
BP	595	+ 5
Royal Dutch	£35½	+ ½
Anglo American	365	+ 10
Botswana RST	70	+ 10
Charter Cons.	190	+ 7
MIM Holdings	226	+ 10
Messina	315	+ 20
RTZ	201	+ 10
Tanganyika Cons.	170	+ 16
Union Crpn.	450	+ 25

FALLS

Bibby (J.)	83	− 3
British Leyland	22	− 4
Petrocon	108	− 5

Loyalists may urge strike to force strict clampdown

More troops fly to fight Armagh terror

BY JOHN BOURNE, in LONDON and GILES MERRITT, in BELFAST

THE ARMY'S standby emergency Spearhead Battalion, comprising 600 infantry and a troop of armoured personnel carriers, began to be airlifted to South Armagh last night, a movement which follows the machine-gun killing of 10 Protestants in a remote area of the Northern Ireland county on Monday night.

The battalion, drawn partly from the U.K. and partly from West Germany, will increase the number of troops in the Province to 15,500.

The troop reinforcements, however, were described last night by Loyalist leaders as inadequate. In Belfast there is now a growing threat that the Loyalists will attempt to push Downing Street into imposing a harsh military clamp-down by calling for a Province-wide strike by the Protestant community.

An hour-long emergency meeting yesterday at Stormont Castle between leaders of Ulster's political parties and Mr. Mervyn Rees, the Northern Ireland Secretary, highlighted the widening gap between the Loyalists and Mr. Rees over his security policies.

It also spotlighted the danger that Ulster's disenchanted Unionists no longer have sufficient will or strength to prevent the Loyalists' para-military organisations declaring open war on the Provisional IRA and, by extension, the Catholic community.

The decision to send more troops was announced after an 80-minute meeting between the military Chiefs-of-Staff, the Prime Minister, Mr. Roy Mason, Defence Secretary, Mr. Merlyn Rees, Northern Ireland Secretary and Mr. David Ennals, Minister of State at the Foreign Office.

Last night's 10 Downing Street statement ended: "Instructions have been given for the Spearhead Battalion to be sent to South Armagh. They are already on their way."

Mr. Rees, who had been recalled from Belfast by Mr. Wilson, is understood to have gained support at the meeting for using the extra troops—which will double the numbers on the ground in South Armagh—in a "softly, softly" approach, so as not to alienate the strong Catholic population of the area.

The Northern Ireland Office recognises that these tactics, involving the use of the Spearhead Battalion and another battalion, already there, on vehicle checks and patrols to prevent the movement of arms and explosives—while Ulster Defence Regiment units are employed on static duties—will further infuriate Loyalists' leaders in the province.

But the Office maintains that rough tactics such as house-to-house searches would destroy whatever support the Army is likely to receive from the local population, which it hopes has been so horrified by the 15 sectarian murders in the last few days that the population will now co-operate with the security forces, giving them information to help in the arrest of terrorists.

Although the meeting between Mr. Rees and the political leaders in the Province condemned the current wave of sectarian warfare, Mr. Rees is known to have been bitterly disappointed at the public comments of Protestant leaders afterwards.

His purpose, it is said, was to see if the shock of the latest sectarian killings might bring the leaders of all Northern Ireland parties closer together so that they might take a step towards breaking the political deadlock over power-sharing revealed in the report of the Constitutional Convention.

Mr. Rees regards the comments of some Protestant leaders—describing yesterday's all-Party meeting with him as "worthless"

Americans who give to IRA attacked, Page 8

and "cosmetic"—as completely destructive in tone and indicating that the Protestant Parties had shown no sign of sinking their differences with the Catholic Social Democratic and Labour Party over power-sharing.

The Rev. Ian Paisley, Democratic Unionist leader, said afterwards: "The meeting produced nothing." He added that he had told Mr. Rees to "either do something or pack your bags and go." Claiming that the killers responsible for last night's massacre are now "safely back in Dundalk" in the Republic. Mr. Paisley said he had urged Mr. Rees to seal South Armagh's border with the Republic and "send the Army in to flush out the IRA."

And last night the five United Ulster Unionist Council Convention members for Co. Armagh strongly urged reconsideration of the death penalty for terrorism.

With Ulster more tense than for several years—the death toll stands at 18 since the New Year—the Province waits for the seemingly inevitable Protestant reprisal to the machine-gunning. Mr. Gerry Fitt, leader of the mainly Catholic Social Democratic and Labour Party, described the situation as "highly volatile and the most serious ever."

The leaders of the United Ulster Unionist Coalition have now confirmed that they have been invited to attend a meeting of the Ulster Workers' Council, the organisation chiefly responsible for the crippling May, 1974, general strike that toppled the power-sharing Executive, with a view to examining the courses of action open to the Loyalist community.

Earlier yesterday Mr. Glen Barr, a principal figure in the 1974 UWC strike, visited Mr. Rees at Stormont Castle, accompanied by Mr. Andy Tyrie, head of the largest Protestant private army, the Ulster Defence Association. After the talks he told reporters that UDA brigade commanders were under increasingly heavy pressure to take a "military offensive" against the IRA. A conference of the army council that links the various Protestant para-military bodies is now to discuss the situation.

Mr. Paisley, who has taken the lead in this crisis as the most outspoken and influential of the

Continued on Back Page

BIS chief casts doubt on Fund's gold sales plan

BY GUY DE JONQUIERES

KINGSTON, JAMAICA, Jan. 6.

M. RENE LARRE, general manager of the Bank of International Settlements, cast serious doubts to-day on the feasibility of plans to start selling off a sixth of the International Monetary Fund's gold holdings early this year.

M. Larre said that he believed that there would be little incentive for central banks or other bidders to buy sizeable amounts of gold at early auctions, because of the likelihood that the value of their purchases would decline as the IMF released more later.

He stressed that the BIS had no plans to bid for the gold on its own account, saying that it had no interest in acquiring more of the metal. But he indicated that it would be prepared to act as a purchasing agent on behalf of central banks, which are prohibited from buying the metal directly from the IMF or its planned new trust fund.

M. Larre forecast that the gold sales scheme—approval of which is a key item on the agenda of this week's meeting of the IMF interim committee in Kingston—would go ahead successfully only if governments agreed on a plan to buy the metal through negotiated sales, which would effectively place a floor under the price of their holdings.

But reaching such an agreement would require further international consultations beyond those envisaged in Kingston this week. M. Larre suggested that these might be held after the first auction if it failed to attract adequate bids.

The prospect of a hitch, or at the very least a delay, in the gold sales plan seems likely to increase the reservations of a number of developing countries towards the scheme and could complicate the process of reaching final agreement on a monetary reform package here this week.

As currently envisaged, the IMF would make over a sixth of its gold holdings, or about 25m. oz., to a new trust fund which would auction it off and make the proceeds available to developing countries to help them finance balance of payments deficits.

Though the sales are planned for the free market, where the selling price would be liable to fluctuation, it has also been tacitly accepted by the industrialised countries that the sales would have to fetch a minimum sum—estimated at about $450m. in each of the next four years—to make the scheme worthwhile.

It is M. Larre's contention that commitments to raise this amount could be kept only through negotiated sales.

How these would work would be subject to negotiation by Finance Ministers of the countries involved, though it would presumably involve some form of intermediary agents.

Though the Dutch have objected that the gold sales scheme infringes the IMF's articles of agreement, the general view among most central bankers and Finance Ministers here is that such a violation might have to be tolerated as the price for getting the plan off the ground.

It is pointed out that the IMF's articles have, in any case, been flouted since member-countries abandoned fixed exchange rates in favour of floating parities.

Some developing countries have made it clear that they regard the gold sales scheme with suspicion and believe that it will be primarily of value to the developed nations. While it seems improbable that they would veto it, they have indicated that they may press for general agreement on more generous IMF facilities as the price for their consent.

One proposal would entail approval of enlarging the first tranche of IMF credits. This option is particularly favoured by many of the developing countries, because of the light conditions imposed by the IMF on such drawings.

But any such step is likely to be strongly resisted by the U.S.

Editorial comment, Page 12

Portugal sells Gold reserves

Portugal yesterday confirmed that it has been selling part of its gold reserves. The announcement came from the Finance Ministry, which said just under 4 tonnes of gold had been off-loaded recently. Back Page

£ in New York

—	Jan. 6	Previous
Spot	$2.0327-0332	$2.0345-0350
1 month	0.91-0.86 dis	0.95-0.90 dis
3 months	2.41-2.36 dis	2.43-2.38 dis
12 months	8.05-7.95 dis	8.03-7.93 dis

Goodison is new SE chairman

BY MARGARET REID

MR. NICHOLAS GOODISON yesterday became, at 41, the youngest chairman of the Stock Exchange since the war. He was elected unanimously after an informal secret ballot in the Exchange's 44-member Council had given him an overall majority on the first vote.

Mr. Goodison: aims to foster effective stock market.

In selecting Mr. Goodison, senior partner in the stock-broking firm of Quilter Hilton Goodison, to succeed Mr. Michael Marriott, who died last month at 49 after six months in the office, the Council has registered its strong preference for a youthful chairman.

The rival candidates were Mr. David LeRoy-Lewis and Mr. Dundas Hamilton, both deputy chairmen and each in his mid-50s. All three had contested last year's election when Mr. Goodison was runner-up.

Mr. Goodison said last night: "I see my role as that of representing the interests of Stock Exchange members publicly and of fostering the effective and fair stock market needed to promote the raising of new capital for industry."

He also made the point that there was now "pretty hefty discrimination against what we stand for—savings. If you're going to raise capital for productive industry, you must encourage savings and we don't."

He emphasised the need for the reduction of measures, such as differential rates of taxation and dividend controls, which militated against mobilisation of savings for industrial investment.

Mr. Goodison, who was a classical scholar at King's College, Cambridge, joined his family firm, then H. E. Goodison, known as specialists in property shares, in 1958, becoming a member of the Exchange in 1962 and a member of its Council in 1968.

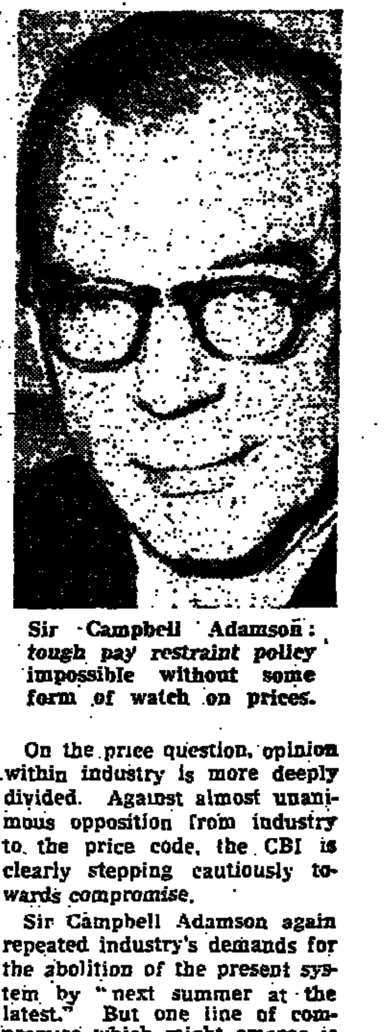
He is chairman of the Membership Committee and earlier presided over the Advisory Committee which planned the recent major reshaping of the Exchange's organisation.

Men and Matters, Page 12

Prices watch must continue, CBI accepts

BY ADRIAN HAMILTON

THE CONFEDERATION of British Industry has reluctantly come to accept that some form of price supervision will have to accompany the next phase of wage restraint, Sir Campbell Adamson, its director-general, indicated yesterday.



Sir Campbell Adamson: tough pay restraint policy impossible without some form of watch on prices.

In a speech to the London and South-East regional council area, he vehemently repeated industry's objections to the present form of price control as "subsidising consumption and discouraging investment."

Nevertheless, he added that "the connection in the public's mind between pay and price controls is such an emotive one that I believe it would not be possible to get acceptance of a tough policy of pay restraint if all supervision on prices were to be removed."

This is the first time that a representative of the CBI has publicly accepted the need for continuing price supervision and reflects the degree to which the Confederation is now apparently prepared to soften its outright opposition to a price control system as the counter to a tightening of wage restraint.

The Confederation has still to put in its formal suggestions on the next phase of the Government's anti-inflation policy. But already some of the lines of its thinking have become clear.

Accepting the need to curb inflation as the overriding aim, as Sir Campbell again repeated yesterday, leaders of industry see the central necessity as one of pulling back inflation rates still further in the next round through tougher wage restraint.

Ideally, the CBI would like to see the next phase of wage restraint expressed in terms of a percentage rather than a flat-rate increase and there are some signs that the Treasury is sympathetic to this.

But industry leaders are united in their belief that the percentage limit has to be a low one of 5 per cent. or less. They are also anxious that the current £6 increase should not simply be consolidated into the normal basic weekly rates.

On the price question, opinion within industry is more deeply divided. Against almost unanimous opposition from industry to the price code, the CBI is clearly stepping cautiously towards compromise.

Sir Campbell Adamson again repeated industry's demands for the abolition of the present system by "next summer at the latest." But one line of compromise which might emerge is a looser formula under which certain price rises could be referred to a supervisory body without the need for a clearance system for all major price rises.

Sir Campbell also gave a restrained word of welcome to the short-term voluntary price restraint of certain basic commodities now being negotiated with the CBI and Retail Consortium.

FEATURES

ON OTHER PAGES

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Euro passports—not so simple

BY C. GORDON TETHER

IF I WERE asked to participate in an exercise to discover the most under-discussed subject of 1975, I would have no hesitation in nominating the decision taken at the late-November EEC Summit to introduce a uniform Europassport in place of the traditional documents now used for this purpose in Common Market countries. For though there could be a great deal more to this matter than meets the eye, it has so far attracted the attention only of the most assiduous of diehard anti-Marketeers.

One of the less controversial aims of promoting European togetherness is, of course, to reduce or eliminate practices or procedures that unnecessarily complicate relations between the peoples of the Common Market countries. So the idea of simplifying travel documentation arrangements so as to minimise the frontier formalities that residents of the EEC have to contend with might seem to have a great deal to commend it.

And so, in this strictly limited sense, it has. The reason why it ought not to be allowed, on that account, to be accepted without adequate debate is that it has underlying implications that are potentially of considerable significance for the Common Market unification issue. Which means that it is of the greatest importance that the country as a whole should be made aware of what is involved before Britain becomes so deeply committed to participate in the plan that the public has to go along with it, whether it likes it or not.

Stated aim

The stated aim of launching the common passport project—"to foster the identity of the European Community"—points up what I have in mind. For though in practical terms it might not seem to matter much whether a Briton is carrying a passport identifying him as a citizen of the United Kingdom or one presenting him as a member of the European Community, the psychological consequences of replacing the first form by the second could—in their own quiet way—be very far-reaching indeed.

Thus, there are surely few things that could be more effective in "conditioning" the population at large to accept the idea that our involvement in the EEC had gone so far that people had, to all intents and purposes, exchanged their British identity for a European one—in short, that the argument about sovereignty was so near to being over that there was no point in taking any further interest in it. And the appearance of Community passports in the outside world would have the effect of disseminating the same kind of message there.

In case anyone should rush in to say that this is precisely what membership of the European Common Market is all about, let me recall a comment of great relevance to this matter that was made by the European Movement—the organisation that played a large part in promoting the pro-Market cause during the referendum battle—in one of its "Facts" sheets.

"Does membership mean the loss of our national identity?" was the relevant question. Its answer was: "Certainly not. The European Community consists of nine countries, each with their own language, culture and habits. No member country would wish to lose its national identity and the European Community has no commitments or plans which would curtail the wishes and rights of member nations to preserve their separate identities and national traditions."

The Queen

It could be held that the introduction of a common passport will involve—again in its own quiet way—a significant curtailment of the wishes and rights of the member nations to preserve their identities and national traditions. And it is pertinent to point out in this connection that it could even have considerable relevance to a question that frequently cropped up in the referendum debate—will the position of the Queen be impaired by Britain's involvement in the Common Market?

For the wording in a British passport requests and requires, in the name of Her Britannic Majesty, all those whom it may concern to afford the bearer such protection and assistance as may be necessary.

A passport issued under the authority of the European Community—the country of the holder will appear only in a subordinate position—can hardly be expressed in these terms. Which effectively means that, in this not unimportant sense, she will no longer be in the same relationship with her citizens as she is now. Certainly, this is how they will tend to see it.

To sum up, there is, as I said at the start, much more to the EEC passport idea than meets the eye—for all its cosy air. And it is the duty of Parliament to see that all the hidden aspects of the matter are properly ventilated in public before Britain becomes irrevocably committed to participate in it.

FT CLIPPER RACE — BY ALEC BEILBY

Kriter II goes for repairs

SYDNEY, Jan. 5.

THE FRENCH ketch Kriter II's decision to continue in the Financial Times clipper race has come as a surprise to those Australians who have been arranging repairs, and the resulting delay has led to frustrations among the crew.

But after more than two days in Sydney, a slipway capable of taking the 40-ton yacht has now been found. Part of the fault lies with the French who failed to indicate either their needs or intentions by radio before arriving back here after losing their yacht's rudder on Boxing Day while still south of New Zealand.

Another problem was that they returned early on Sunday morning and therefore lost the whole day as there was no-one available to discuss slipping arrangements. Once the week began, wheels began to turn, even if slowly, and sterling efforts by Captain Max Hinchliffe, a retired RAN officer who runs his own boatyard and who is also on the local Clipper Race committee, unearthed a slip, at Vickers (Australia) capable of taking the yacht.

To-day, the yacht was towed to Cockatoo Island, above Sydney Harbour Bridge, where work will start on repairing the damage to the rudder fitting while the new alloy rudder is being built.

Olivier de Kersauson and his crew hope they will be back at sea in about a week and although their re-start will be more than three weeks behind the other four yachts still racing to Britain, they feel confident that they will catch both the Italian schooner CS and RB II Busnelli and the Dutch ketch Great Escape.

The ketch will be timed out through Sydney Heads and will try to beat the 69-day record—or any new record that may be set by the winner of the second leg.

Great Britain II, the British entry in the race, was to-day heading through icebergs in the Southern Ocean for Cape Horn.

Well ahead of her nearest rival, the Australian Anaconda II, the joint Services crew led by skipper Roy Mullender seemed to have the record well within her grasp.

Anaconda II was estimated to be about 500 miles behind followed, a further 540 miles behind by CS and RB II Busnelli, and the Great Escape. These two smaller boats were having their own private battle sailing neck-and-neck although CS and RB was about 180 miles to the south.

Roy Mullender told race organisers in London that Great Britain II had been sailing through large icebergs since the previous morning, that it was extremely cold, and that they had seen a 50-foot whale. They were sailing at about 10.5 knots. The crew were fit and well and looking forward to rounding the Horn—about 2,400 miles and ten days away if they maintained their present speed.

Their only problem had been one of communications in an area known to be extremely bad for radio contact.

Latest positions are: Great Britain II 58 deg. 34′ South, 133 deg. 06′ West, Anaconda II 59 deg. South, 151 deg. 01′ West, CS and RB II 56 deg. South, 167 deg. West, Great Escape 54 deg. South, 167 deg. West.

RACING — BY DOMINIC WIGAN

Early Spring's class may count

SEVERAL HIGHLY promising young chasers, including *Early Spring*, Santon Brig and Stay-Bell, are due to clash in to-day's two-mile Tuxford Novices' Chase (3.00) at Doncaster and this event should be worth going a long way to see.

Early Spring and Stay-Bell, both bidding to maintain winning sequences, could fight out the finish.

Early Spring, a strong gelding who has made the long trip from Bob Turnell's Ogbourne Maisey, Marlborough, establishment, has won his only two races since finishing runner-up to Exhibit B at Newbury on November 21 with ease.

A 15-lengths winner from The Walrus, whom he was meeting on level terms at Sandown a week after his second-placed Newbury effort, Early Spring went on to defeat The Norseman with equal ease in the highly competitive Astbury Trophy Chase at Wolverhampton on December 27.

Early Spring, in the lead from the eighth, drew clear two fences from home and won with more in hand than the winning distance of 12 lengths might suggest. Roaring Wind, who was bidding for a sixth successive victory, was a further four lengths behind in third place.

Stay-Bell needed five outings before striking winning form last month at Ayr, where he produced a fine turn of foot close to home to account for Cantastar, from whom he was receiving only 5 lb. in a minor event. He has also run out an easy winner of his two most recent races.

DONCASTER

1.00—Manzoni
1.30—Fighting Cock
2.00—South Quay
2.30—Tuckers Boy
3.00—Early Spring**
3.30—Saintly Purchase***

LINGFIELD

1.15—Alaska Highway*
1.45—General Ginger Nut
2.15—Fell Swoop
2.45—Lord Browndodd
3.15—Flyervale
3.45—Fair Tactics

His last victory came in the two-runner Game Bird Novices' Chase at Newcastle on the same day that Early Spring won at Wolverhampton. Sent into the lead from the outset by Ron Barry at Newcastle, Stay-Bell was always going far too well for The Shining Lad, who was bidding for his third success of the campaign following Teesside and Southwell successes.

In what seems likely to be a closely fought affair, I expect to see Early Spring's class give him the edge over Stay-Bell, to whom he will be conceding 8 lb.

Even if Barry fails to land the £2,000 Tuxford Chase on Stay-Bell he should not leave the course empty handed, for David Morley has booked him for two likely winners in *Fighting Cock* and *Saintly Purchase*.

Fighting Cock, a two-lengths winner from Derry Veagh on his hurdling debut at Leicester a month ago, is only a tentative choice for Div. I of the Rawcliffe Novices Hurdle (1.30), in which he faces stiff opposition from Le Jet and Nest Egg. But Saintly Purchase is suggested with confidence for Div. II of this event two hours later.

At Lingfield, where *Lord Browndodd* can make up for a couple of disappointing runs by accounting for Man On The Moon in the principal event, The Weald Chase (2.45), I shall not oppose *Alaska Highway*, who goes for the opener, Div. I, of the Horley Novices' Hurdle (1.15).

GARDENS TO-DAY

Starting from scratch

BY ROBIN LANE FOX

SETTING OUT on another year's gardening, I have been wondering what I would be advised to do if I had never been interested in the garden before but was beginning to feel that there must be some fun in it somewhere. Gardening, I might be thinking, would be cheaper than a second week of a foreign holiday and, although I would not admit it publicly, almost anything must be more interesting than the accepted pursuit of sun-bathing. I might wonder why gardening turned up twice a week in my FT. Retirement might be less than a decade distant and I might be wanting a healthy amusement around the home. How, though, could I best develop the small basic knowledge which had descended through my father-in-law without seeming to be too ridiculous? An allotment would be a dangerously public risk.

I will assume that money, say £50-£100, is available, freed from savings for a week's ordeal by the Mediterranean. The assumption is not necessary, for gardening can be extraordinarily cheap. The one beautiful town garden which I envy cost its ingenious owner £12, although it is 12 yards square. Seed-sowing is the best fun in the business, and specialist societies (the Iris Society: the Hardy Plant Society: the Alpine Garden Society: the Royal Horticultural Society, Vincent Square, London, S.W.1, who will pass on addresses for these others) provide splendidly cheap lists of seeds and encourage swapping.

Group discounts

Many villages or districts have garden clubs (or can form them) whose members can buy the ordinary essentials for 10-20 per cent. group discounts: suggest this to your nearest garden centre. The small nurseries, accessible through the specialist societies I mention, will often be so small that their plants are still free of VAT. The gardener from whom I learnt so many small economies had first learnt them from her country vicar, who was arguably keener on bulbs than the Bible. Even now, there could be worse advisers for many country gardeners to approach.

Money merely allows you to enjoy certain results more quickly. Assuming you can venture a small sum, I must encourage you to ask for a full and detailed catalogue from a nurseryman who preferably owns his own business (and nobody else's) and has never promoted his plants by colour photos in his catalogue. Everybody has his own favourite suppliers, but if you exclude the high prices the catalogue of, say, John Scott, the Royal Nurseries, Merriott, Somerset is mostly middle to upper price range and exceptionally reliable and readable.

Anyone with a wild garden must be in touch with Treseders of Truro, Cornwall. The really down-to-earth stock, excellently grown but with a few startling frills, is available at very fair prices from James Smith of Tansley, Matlock, Derbyshire, whose store of the obvious (forsythia: hedging conifers) is amazingly cheap. A fully descriptive list, especially useful for its indications of a plant's width as well as height, is the 75th anniversary catalogue of Notcutts of Woodbridge, Suffolk. The centenary catalogue or the manual of Hilliers in Hampshire is so scholarly and so comprehensive that you might lose your way for ever in it. It will be indispensable later. It is most notable that these nurseries are still family enterprises, the best (in my opinion) in a field where the worst are very bad indeed.

Stock up with catalogues, Scotts (say) and Notcutts, and then trust the unfamiliar shrubs which they recommend, checking throughout that their preferred soil and climate is not hopelessly different from your own. How do you know? Well, an acid soil will grow azaleas and rhododendrons, and there are very few areas of acidity where these are not prominent. If there are rhododendrons over the fence or on the golf course, you are highly likely to be on acid soil. Obviously, too, those who live in areas of limestone or ironstone buildings will almost certainly be on lime soil. The neighbours will usually know, but the cautious or isolated should test their garden soil. This is easily done by taking a representative pinch and putting it in a saucer of water, then applying "soil-testing" paper (litmus paper, really) from a garden store and watching whether it turns pink (limey) or blue (acid). The purer the water, the less approximate the result.

More accurate methods are available, and the county horticultural officer, who is maintained out of your rates by most councils, will often be able to help with any puzzles.

Three small points, here. As a first step do not think that "keen" gardening is the growing of azaleas on soils which, otherwise, they would not enj... It is far, far better to g... every plant which is likely ... like your soil before digg... pits, lining them with polythe... and importing acid soil ... plants from the other parts ... the catalogue. Secondly, reme... ber the important fact that le... mould may be far less acid th... your soil. Perhaps it is too ea... for you to be bothered with l... mould at all but I know seve... gardeners who think that th... new interest in gardening ... quires them to put a sack in ... back of the car and to stop ... the woods on their Sunday d... ings in order to stock up w... free black compost by scrap... up the layer of rotted lea... under the trees. This is ... tremely sensible, but the tr... may be growing on a sligh... alkaline soil and their leaf-mo... would greatly distress y... azaleas and so forth at ho... I have seen a new gar... wrecked by this unfortu... oversight.

Use of peat

Thirdly, do not necessarily ... to buy big bags of peat beca... you think it is bound to come ... useful. It serves two purpo... it helps to open and lighte... heavy soil (though sand is ... more effective) and it raises ... acidity. Unless it is heavily (a... most unusually) enriched, it ... in no sense a food or a fertilis... It does not automatica... "fatten" your plants. But ... does mop up water, and the ... peat must be soaked with a h... for hours before use.

Before I deter you further ... will leave you at least to beco... armed with catalogues. If y... want to make the most of yo... money avoid all gadgets, at le... until you have found the pla... which you like. More first st... next week, but I must end wit... reassurance to the steady flow ... letters from ladies who, qu... fairly, are taking me up on ... autumnal reference to a we... killer which kills weeds, b... not plants, in iris-beds. This do... indeed exist and I have ... probable name from an extrem... trustworthy gardener. But befo... I pass it on to you on her reco... mendation I must be certain th... the name is correct. She kno... it, and the packet is in h... potting shed, but she has go... off abroad to escape the wint... No doubt she will be back befo... the weeds are sprouting in t... iris-border so we must wait f... this promising possibility for ... few more weeks.

TV/Radio

† Indicates programme in black and white.

BBC 1

12.45 p.m. News. 1.00 Pebble Mill. 1.45 Teddy Edward. 1.50 The Mister Men. 3.30 Day and Night. 3.58 Regional News (except London). 4.00 Play School. 4.25 Pixie and Dixie (cartoons). 4.30 Jackanory. 4.45 Screen Test. 5.05 John Craven's Newsround. 5.15 Striker. 5.40 Paddington.
5.45 News.
6.00 Nationwide.
6.45 Men of Action: "633 Squadron," starring Cliff Robertson and George Chakaris.
8.15 The Morecambe and Wise Show.
9.00 News.
9.25 Sportsnight.
10.50 Tonight.
11.25-11.27 Weather / Regional News.

All Regions as BBC 1 except at the following times:—

Wales—5.15-5.30 p.m. Llon a Llwyd. 5.30-5.35 Ffilwc! 5.35-5.40 Crystal Tipps and Alistair. 6.00-6.45 Wales To-day. 6.45-7.15 Heddiw. 7.15-7.40 Pobol Y Cwm. 7.40-8.15 Wallabies in Wales. Newport v. The Australians. 11.25 News and Weather for Wales.

Scotland—6.00-6.45 p.m. Reporting Scotland. 11.25 Scottish News Summary.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-6.45 Scene Around Six. 10.50-11.20 Spotlight on what matters to people in Northern Ireland. 11.20 Northern Ireland News.

England—6.00-6.45 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South West (from Plymouth).

BBC 2

10.35 a.m. Nai Zindagi Naya Jeevan.
11.00 Play School.
6.40 Sex Discrimination Act.
7.05 Trade Union Studies.
7.29 Weather.
7.30 Newsday.
8.00 The Fishing Race.
8.30 Arena: Theatre.
9.00 Tomkinson's Schooldays.
9.30 Frankie Vaughan at the Night Out.
10.15 Globe Theatre.
11.35 Newsnight.
11.50-11.55 Closedown. Lyndon Brook reads "Marriage of Two," by C. Day Lewis.

LONDON

10.00 a.m. Felix the Cat. †10.05 Carry On Constable, starring Sidney James, Kenneth Connor and Charles Hawtrey. 11.30 In Constable's Country. 12.00 The Adventures of Rupert Bear. 12.10 p.m. Pipkins. 12.30 Mr. and Mrs. 1.00 First Report. 1.20 Lunchtime To-day. 1.30 Crown Court. 2.00 Good Afternoon. 2.30 Couples. 3.00 About Britain. 3.25 There Goes That Song Again. 3.55 General Hospital. 4.25 How. 4.50 Boy Dominic. 5.20 Flintstones.
5.50 News from ITN.
6.00 To-day.
6.35 Crossroads.
7.00 This Is Your Life.
7.30 Coronation Street.
8.00 And Mother Makes Five.
8.30 Oh No — It's Selwyn Froggitt.
9.00 The Life And Death Of Penelope.
10.00 News.
10.30 The Wednesday Special.
11.30 Wrestling.
12.00 What The Papers Say.
12.15 a.m. Songs of the City.

All ITV Regions as London except at the following times:

ANGLIA

10.30 a.m. Gilbert and Sullivan ("Yeoman Of The Guard"). 11.20 Cartoon. 1.25 p.m. Anglia News. 2.00 Houseparty. 3.25 Looks Familiar. 5.20 Rogan's Heroes. 6.00 About Anglia. 12.00 The Big Question.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 3.25 Looks Familiar. 5.20 ATV Today I. 6.00 ATV Today II.

BORDER

12.30 p.m. Untamed World. †1.20 Border News. 3.25 The Adventurer. 5.20 Supersonic. 6.00 Border News and Lookaround. †12.00 Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 3.25 Looks Familiar. 5.20 Supersonic. 6.00 Channel News. 6.10 The Amazing Chan and the Chan Clan. 11.55 Epilogue followed by News and Weather in French.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 3.25 Looks Familiar. 5.20 Thrillseekers. 5.45 Police Newsroom. 12.00 Evening Prayers.

GRANADA

9.30 a.m. Sesame Street. 10.25 The New Adventures of Superman. 10.45 Neighbours. 11.05 Canada—Five Portraits. 11.55 Babar the Elephant. 1.20 p.m. This Is Your Right. 3.25 Looks Familiar. 5.15 Take Kerr. 5.20 Crossroads. 6.00 Granada Reports. 6.30 University Challenge. 11.30 What The Papers Say. 11.45 Wrestling.

HTV

12.30 p.m. Bygones. 1.20 Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 3.25 Looks Familiar. 5.20 Orbit 5. 5.25 Crossroads. 6.01 Report West. 6.15 Report Wales. 6.30 Wynford's Wales.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.25-4.50 Rhifeddodau. 6.01-6.15 Y Dydd.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

†1.25 p.m. Road and Weather Report. 2.00 Housecall. 3.25 Looks Familiar. 5.20 Callimero. 5.25 Crossroads. 6.00 Scotland Today. 6.30 Highland Showboat. 12.00 Late Call.

SOUTHERN

†10.00 a.m. "Along Came Jones" starring Gary Cooper and Loretta Young. 1.20 p.m. Southern News. 2.00 Houseparty. 3.25 Looks Familiar. 5.20 Sinbad Junior. 5.25 Crossroads. 6.00 Day by Day. 12.00 Southern News Extra.

TYNE TEES

11.00 a.m. Starting Point. 11.05 Here Comes the Future. 1.20 p.m. Lunchtime News and Lookaround. 2.00 Women Only. 3.25 Looks Familiar. 5.20 Today Before Six. 6.00 Today at Six. 11.30 Chess Masterpieces. 11.45 Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 3.25 Looks Familiar. 4.23 Ulster News Headlines. 5.20 Out of Town. 6.00 UTV Reports.

WESTWARD

9.25 a.m. Wildlife Theatre. 9.50 The Beachcombers. 10.15 The Amazing Chan and the Chan Clan. 10.40 Planet of the Apes. 12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 3.25 Looks Familiar. 5.20 Supersonic. 6.00 Westward Diary. 11.55 Westward Late News. 11.58 Faith For Life.

YORKSHIRE

11.00 a.m. Cartoon Time. 11.10 The Count of Monte Christo. 12.30 p.m. Bygones. 1.20 Calendar News. 3.25 Looks Familiar. 5.20 Calendar. 6.00 Calendar.

F.T. CROSSWORD PUZZLE No. 2,972

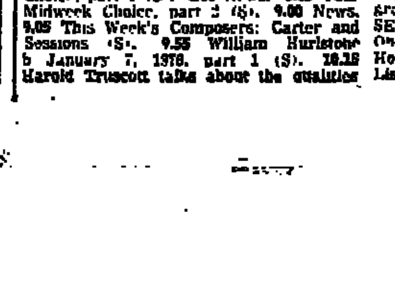
ACROSS

1 and 6 Model method of infiltration (3, 6, 5)
9 Decoration includes order in the valley (5)
10 Laterally with a hint of corruption (2, 3, 4)
11 Success or failure results from ordeal by water (4, 2, 4)
12 I can make it clear—it means trouble if you're in it (4)
14 Canine support in the hearth (7)
15 A relation with a piano to master (7)
17 Look at Adam's make-up—he is bound to refuse (7)
19 Presses used by women, but no good among the opposite sex (7)
20 Choose to see an Egyptian convert (4)
22 Royal procession gives impulse to the nation (5, 5)
25 Nick is ready to employ these strikers (4, 5)
26 You need one over the eight to perform this composition (5)
27 Still in bed — and the ball bounced twice (3, 2)
28 At that time we have to cut inside a river (3, 6)

DOWN

1 Moments of checking (5)
2 In play Aeschylus improves the image of the Furies (9)
3 A bid often made but altogether unsuitable (3, 2, 5)
4 Makes an unexpected call to renounce evil (5, 2)
5 "There is —— either good or bad but thinking makes it so" (Hamlet) (7)
6 The cad must come to himself in obedience (4)
7 Cash to be found in reserve (5)
8 Types of river, politician, and Etruscan invader (9)
13 Booked, and liable to be sent off (6, 4)
14 To this age speaking is a bad habit (9)
16 "Himself the primrose path of —— treads" (Hamlet) (9)
18 Extraneous, and did not make a match of it (3, 2, 2)
19 As times change we can see the artist (7)
21 A sanctimonious crowd to guide (5)
23 The murderer of Richard II (5)
24 The fellow we see in such a pitiful condition (4)

SOLUTION TO PUZZLE No. 2,971



RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker, including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 It's DLT OK! 5.45 Newsbeat. 6.02 Sam Costa (S) (Joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S), including 6.15 Pause for Thought. 7.02 Terry Wogan (S), including 8.02 Test Cricket: Australia v West Indies (report). 8.27 Racing Bulletin. 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S), including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.55 p.m. Good Listening (VHF). 2.02 David Hamilton (S), as Radio 1, but including on 1,500m only (also 202m Scotland) 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 Sam Costa (S), including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Pros and Cons (S). 7.30 Borge on Mozart and Sousa (S). 8.02 (on 1500m only) Soccer Special, until 9.30 approx. 8.02 Command Performance (S). 9.02 Sing Something Simple (S). 9.30 All Time Hit Parade (S). 11.02 Sports Desk (1,500m only, also 202m Scotland. VHF joins Radio 1). 11.05 Jean Challis with The Late Show (1,500m only, also 202m Scotland. VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 — 464m, Stereo & VHF

7.00 a.m. News. 7.05 Your Midweek Choice, part 1 (S). 8.00 News. 8.05 Your Midweek Choice, part 2 (S). 9.00 News. 9.05 This Week's Composers: Carter and Sessions (S). 9.55 William Hurlstone b January 7, 1878, part 1 (S). 10.18 Harold Truscott talks about the qualities of Hurlestone's music. 10.35 William Hurlestone concert, part 2. 11.10 Academy of the BBC, part 1: Haydn, Dvorak (S). 12.00 Words . . . Cardew Robinson. 12.05 p.m. Concert, part 2: Beethoven (S). 1.00 News. 1.05 Concert Hall (S). 2.00 Paul Wittgenstein 1887-1961 (S). 3.00 Aspects of Childhood (S). 4.00 Concert Club (S). 5.00 Choral Evensong. 5.45 Homeward Bound (S). 6.05 News. 6.10 Homeward Bound (continued). 6.30 Lifelines: Language and Communication. 7.30 "L'Elisir D'Amore," opera in two acts, music by Donizetti. Act 1 (S). 8.45 The Arts Worldwide. 9.05 "L'Elisir D'Amore," Act 2. 10.05 Ligeti concert (S). 10.20 The Australian Poets (Judith Wright). 10.40 Tovey concert (S). 11.25-11.30 News.

RADIO 4 — 434m, 330m, 285m and VHF

‡ Medium Wave only

6.20 a.m. News. 6.22 Farming To-day. 6.40 Prayer for the day. 6.45 Today including 6.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of Today including 7.27 Sportsdesk. 7.35 Today's Papers. 7.45 Thought for the day. 7.50 VHF Regional News. 7.55 Weather, programme news. 8.00 News and more of Today including 8.27 Sportsdesk and 8.35 Today's Papers. 8.45 Percival and Apple. 9.00 News. 9.05 The Living World. 9.35 The Moon's a Balloon. 10.00 News. 10.05 In Britain Now. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Sweet Songs of Zion. 11.30 Thirty-minute Theatre. 12.00 News. 12.02 p.m. You and Yours. 12.27 Top of the Form. ‡12.55 Weather, programme news. VHF (except London and SE) Regional News. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour, including 2.00-2.02 News. 2.45 Listen with Mother. 3.00 News. 3.05 Afternoon Theatre. 4.00 News. 4.05 The Nimrod, the Wonder and the Tally Ho! 4.35 Story Time. 5.00 PM Reports. 5.50 Financial Report. VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Petticoat Line. 6.45 The Archers. 7.00 News Desk. 7.30 It's Your Line. 8.30 How would you like to live like that? 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book at Bedtime. 11.00 The Financial World Tonight. 11.15 Beyond Comprehension. 11.30 News.

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.00 Downtown. 11.03 In Town. 12.03 p.m. Call In, including 12.45 London News Desk. 2.03 206 Showcase. 4.03 In The News. 4.32 Home Run, including 5.00 and 6.00 London News Desk. 7.00 In Town. 8.00 Quest. 8.30 Soul 77. 10.03 Robbie Vincent's Late Night London. 12.00-12.05 a.m. As Radio 2.

London Broadcasting — 261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 "AM"—breakfast show. 10.00 George Gale—talking to London. 12.00 Newswatch. 2.00 p.m. Newswatch—second edition. 5.00 Newsbreak. 7.30 Jazz in Stereo. 9.00 Robin Houston's Nightline. 1.00-4.30 a.m. Nightwatch (news every half-hour).

Capital Radio — 194m and 95.8 VHF

6.00 a.m. The Breakfast Show. 9.00 Michael Aspel presents music, guests, competitions. 12.00 Cash On Delivery. 3.00 p.m. Roger Scott. 7.00 London Today. 7.30 Open Line. 9.00 Your Mother Wouldn't Like It (Nicky Horne's rock show). 11.00 Tony Myatt and his late night show. 2.00 a.m. Night Flight.

CINEMAS ARE CONTINUED ON PAGE 21

levision

Keep the facts pure by CHRIS DUNKLEY

e good thing about being a ision critic is that fellow ts at parties never feel the bit inhibited about discus- one's job. Tell almost any essman, architect, teacher, octor what you do and in- of saying "Oh really how esting" and lapsing into urrassing silence he will nd vigorously by doing things in quick succession: will lie, denigrate and fy.

e lie is always the same: course we hardly see any ision at all." That this is is immediately made clear ie denigration since it in- s detailed references to ically everything that has transmitted during the pre- g fortnight.

sheer hypocrisy of declar- otal ignorance of TV prior livering an exhaustive list shortcomings never seems cur to people—but some- else occurs to them when liatribe has been running while: they suddenly re- ber that they are talking to p who earns his living by ing and writing about tele- , and feel that he may be led if they imply that he is g entirely with worthless nse. So they modify their : and remark kindly that of e there are the rare excep- that prove the rule: eth Clark, Bronowski, ir Cooke and Morecambe Vise. This fills in the few they have left in the ules, and proves that they ly watch as assiduously as e.

a recent Christmas party a man in the insurance ess who, on discovering my aid "Really? Marvellous television—won't have a said against it." Assuming be sarcasm of a familiar handed sort I stood by to again about Angela n's failure to smile, all channels' failure to pro- plays with beginnings, es and ends, and the BBC's e to stamp out permissive- nd drive the reds out from the corporation bed.

my amazement it turned at he was quite sincere. He ed the general standard of television was very high, of the light entertainment ery entertaining, and the volume of fact available the box was astonishing: ildren watched a lot; but rdly considered this a bad when it meant that the breadth of their knowledge was so immense compared to ours at similar ages. He was, of course, absolutely right.

My six year old son (whose usual interest in and knowledge of sport is practically nil) recently informed us that cricket is a very dangerous game, that two men were killed while playing last year, and that Tony Greig reckons cricketers should wear crash helmets. Where, we asked incredulously, did this arcane little item come from? *John Craven's Newsround*, BBC1, naturally.

The flow of facts from television is, indeed, very impressive. That many people after a day's work are concerned with finding amusement and relaxation rather than information and stimulation (and, sadly, are seemingly incapable of experiencing the first pair by way of the second) is beside the point: the factual programmes are there for the minority wanting them, and in television's terms minorities are measured in millions.

Did you know that millions of swallows die every year crossing the Sahara during migration? *Animal Marvels* on BBC1 told us all about it last week. Do you know how a cotton gin works? If, like me, you had no idea 10 days ago but understand now, then you must have watched *The Inventing Of America* later on the same channel; and if you have a very much better idea this week than last of how a modern gamekeeper spends his life, then you switched to BBC2 later that night for Michael Croucher's beautiful programme which brought the smell of crushed grass—and of all the seasons of the year—into the sitting room.

According to Ken Cargill, reporting from Scotland in BBC2's *Network* on Thursday, the Powderhall is a world famous foot race, and I take his word that there are a number of people around the globe who have heard of it. However, though something of an athletics fan (and one whose brother held umpteen national and international records) it was news to me that full-blown professional athletics took place anywhere in Britain. The shenanigans surrounding the Powderhall—70 spikes to a shoe for running on a Tartan track was the "secret weapon" of at least two competitors—constituted one of the week's most intriguing little batches of facts.

Anglia's *Survival* showed us something of the life of the shoebill stork which had previously been seen only by a small number of naturalists since it had never been filmed before; on the next day and also on ITV Prince Charles elicited from a Canterbury Cathedral official the fascinating information that they were very far from experiencing any lack of apprentice stonemasons these days since there were plenty of professional men wanting to switch jobs; and in *That's Life* Esther Rantzen revealed that if you register enough little companies you can make money and stay ahead of the law by closing one down at an opportune moment and changing the name of another to that of the closed company.

The list could go on for the rest of this column; I suspect that a really full account of facts learned from television in any week would fill a slim paperback (one of those that now cost about 12 bob).

Of course this is not to say that everything on TV outside the realms of drama and light entertainment is priceless and unblemished factual broadcasting. Very far from it. The five-part BBC2 series called *Women—Which Way Now* started and finished every night with Angela Richards and Richard Stilgoe singing a song noting that "Women wither away" and sure enough that is what happened each night in between, under the slack chairmanship of Ludovic Kennedy. The unvarying level-headedness of the schoolgirls in the audience was the only saving grace and we heard all too little of them.

What is more, the programmes involving the most interesting facts are not always the best programmes: the brightest thing about *The Inventing Of America* was the initial idea of sketching the history of the U.S. of A. via American inventions and know-how. The trouble was that the second-rate Gert and Daisy act mounted by the oddly assorted James Burke and Raymond Burr obscured rather than illuminated the narrative. Similarly the ostensible subject of the *Survival* programme, the shoebill stork, was very nearly lost altogether amid the constant boring footage of Zambian Airforce planes and Lucinda Buxton, narrowing her eyes, being paddled in her canoe, and climbing into her hides while poor Kenneth More was required to deliver breathless accounts of her genius and derring-do in voice-over.

It is high time that this business of cashing in on the traditional high quality of British natural history films was stopped. The trend, in which Anglia are one of the most regular (but not the only) offenders, is for the programme to be presented and promoted as though it were in the tradition of the BBC Bristol Natural History Unit when actually it is a "Peg's Paper" piece about the romance, glamour, and supposed charm of the film makers. Krov and Ann Menuhin's "The Mayan Connection" in the BBC2 World About Us series has been the worst because most self-indulgent example to date, but there have been far too many others of a similar sort. The currency is being devalued.

Yet for every one of these there are still two really good natural history programmes, jammed full of facts and without a single pair of hotpants or a bikini in sight. This week's *World About Us*, "Killing Trade," was one, and it more than made up for the Menuhins' pantomime even though (I suspect) much of the footage was being used for the second time at least: I have certainly seen the birds of prey devouring the baby turtles before, and I could almost shot-list the wild dog section from memory.

It was nonetheless completely engrossing from the first sequence — of a chameleon munching a butterfly, one of the most literally shocking sets of credits I have ever seen—to the last: a very sane, sombre and logical finish posing questions about the dangerous way in which *homo sapiens* seems to have outgrown natural selection. If the species last long enough men may even outgrow the need to spend their time at parties denigrating their own major pastime.

Don Ibberson in 'The Gamekeeper' (BBC2)

Anthony Crickmay

Emile Belcourt (Loge) and Derek Hammond-Stroud (Alberich) in the English National Opera production of 'The Rhinegold' last night. Ronald Crichton will review this performance in to-morrow's paper

Covent Garden

Romeo and Juliet

by CLEMENT CRISP

With Dame Margot Fonteyn returned to the Opera House stage as Juliet, there was an understandable air of excitement at Covent Garden on Monday. The role is a challenging one, made as a lyrical outburst of youthful impetuosity in which a "positive" heroine defies convention, society and all the fates for the sake of an obsessive love. I have never found it a part in which Dame Margot loses herself in MacMillan's conception; rather has she stayed outside it, offering a sweetly gentle reading—more victim of the drama than its motive force.

At the present stage in her career it would be unreasonable to expect that her interpretation would be any more effective than it has been in the past, and Monday's performance — with Rudolf Nureyev as Romeo—was more remarkable for its skill of presentation than for any great insights into the ballet.

It was a reading most carefully scaled, *mezzo forte* in tone, ingratiating in manner, but nonetheless interesting in its controlled display of a dancer's forces. The text was discreetly edited in dynamics; instead of the passionate, headlong impulse of Seymour or Makarova we saw a tender, demurely lyric Juliet who was at her best in the balcony scene. For Dame Margot's myriad admirers this is handsomely enough.

Her musicality is still the guiding force behind the dancing: the line is still eloquent; content with this, the audience had much to enjoy. But if you go to see MacMillan's beautiful ballet for MacMillan's heroine, then I find that Dame Margot barely touches the emotional core of the role.

Rudolf Nureyev's Romeo was the most attentive and helpful of partners, and he conveyed the vivid excitement, the ardent happiness, of the balcony duet with the best dancing of the evening. His technical statement elsewhere was more idiosyncratic, with its feverish bursts of prowess and rather abrupt phrasing. But the drama of the piece engages his attention: the boisterous youth of the first scene, the pale ecstatic figure who returns from the wedding ceremony to be brought rudely to earth by the renewed brawling in the street, is a convincing and pathetic figure.

David Wall's Mercutio touches our heart as he dies; David Ashmole's Benvolio is admirably strong as he guides the distraught Romeo away after the death of Tybalt; and Wayne Sleep is, as always, a prodigy of turns and leaps in the Mandoline dance.

Ceri Richards' designs for Liverpool Cathedral

An exhibition of designs by the Welsh painter Ceri Richards (1903-1971) for the decoration of the Blessed Sacrament Chapel in the Roman Catholic Metropolitan Cathedral of Christ the King, Liverpool is on view at the Walker Art Gallery. It will run until April 11.

Richards was commissioned in 1965, on the recommendation of the architect of the Cathedral, Sir Frederick Gibberd, to produce designs for the four most important decorative features of the Chapel of the Blessed Sacrament — the two stained glass windows, the painted reredos, the tabernacle and the projected altar frontal.

The exhibition, arranged thematically, comprises 36 of his most colourful and exciting studies and designs, including the compelling blue and yellow abstract design for the reredos and the two definitive designs for the chapel windows. Also on show is one of Richards' own sketchbooks in which are contained his original, spontaneous ideas for the windows and the tabernacle.

cell Room

Young Artists

by DOMINIC GILL

Park Lane Group's excel- nnual series devoted to artists and 20th-century which runs all this week Purcell Room, opened on y with a concert shared n a wind quintet and a The Elysian Wind t, formed five years ago roup of London students, trong, attractive ensemble. heir actual programme of short contemporary wind proved a little less strong ss attractive was unfortu- ut perhaps not surprising: dern repertory is not not- rich in satisfying wind s, short or long.

as good, though, to hear Harrison Birtwistle's tiny s *and choruses*, his first ed work—rarely played lays, and given here with sinew as well as sensi- o subtle shifts of colour. sson's *Déjà vu* for wind (without horn) made npression—five minutes of what its title implies, re, no less. Ligeti's very *Five* (but now in their revised form, *Six*) *Bagatelles* still sound at their best vaguely Stravinskian, vaguely Janacek-like: and at their least good, just vague. Presumably No. 5, with its dark, sinister underpinning tones, is the later addition?

The evening's new work was Roger Marsh's *Deadpan Romance* for wind quintet—"four woodwind instruments and a solitary brass trying desperately to disguise himself as wood." Short, neat, and less cogent than some other of Roger Marsh's work I remember: at what points, by whom exactly, and why, one left wondering, was the horn "accompanied, lost and finally overwhelmed?"

In her half of the programme, the very accomplished Hong Kong pianist Nancy Loo played Ginastera's sonata (once upon a time the very bane of Wigmore debuts), and the third sonata of Karol Szymanowski — a strange, knotty work which sounds at times like worried Skryabin, and at others unconscionably like a Brahms piano score played upside down.

Portland opera

Life of Orestes

Ernst Krenek, who is 75 this year, lives in Palm Springs, and since 1938 has lived in America. In 1927 he made his name with the jazz opera *Jonny spielt auf*, which opened in Leipzig, swept the houses of Germany, and reached the Metropolitan in 1929. In 1930, that *annus mirabilis* for contemporary opera in the Weimar Republic, Leipzig did his *Leben des Orest*, which then achieved a dozen different productions before the events of 1933 drove his music from the German boards. In 1934, the Vienna State Opera withdrew from rehearsal his *Karl V*. There have been some postwar revivals —in these pages, I described Munich's 1965 production of *Karl V.*—and some new works (*Pallas Athene weint* in Hamburg in 1955, *Der goldene Bock* there in 1964).

He has been deft in so many different styles — atonal, neoclassical, neoromantic, jazzy, twelve-note, post-Webernian, then electronic—that, as he himself has remarked, the diversity may have "surrounded my work with an unusual obscurity—even anonymity." A composer without a centre, he has been called, and even a composer without a heart. But a chameleon's heart continues to beat even while its colours change. With bewildering facility, and often with great brilliance, Krenek has worked in new idioms while continuing to explore his central preoccupation—which is, roughly, the conflict dramatised in *Jonny*: between the success-figures of Jonny and Daniello, and the spiritual, dreamy Max. The voice of the Fourth Tempter, in *Murder in the Cathedral*, is one that Krenek would probably confess to having heard.

Leben des Orest cannot be wholly acquitted of opportunism. The libretto, the composer's own, is a five-act *Oresteia*, comprising (roughly) *Iphigenia in Aulis*, *Agamemnon*, *Electra*, *Iphigenia in Tauris*, and *The Eumenides*—together with a dashing Meyerbeerian divertissement in the form of an Athens fair, a rapt soliloquy for Orestes in his exile, and an extra Tauris scene. The music is eclectic. Schubert and Offenbach seem to be the principal influences; there are also foxtrots and Tiger Rag rhythms. It is a tuneful, brilliant and exhilarating score, always theatrical and at times very affecting. The piece is clever, impudent, and saved from slickness, I think, by an inner seriousness of purpose—which conflicts with the evident desire to shock and tease.

For the Portland Opera, *Life of Orestes* (the piece was done in the composer's own English translation) was an adventurous and surprising choice. But Stefan Minde, who directs the company, and who conducted *Orest* in Wiesbaden in 1961, believed in the piece, and fired his collaborators to a spirited and accomplished performance, crisply and stylishly produced by Ghita Hager, strikingly designed by Carey Gordon Wong. Victor Braun was a strong and romantic Orestes. The cast was largely made up of young American artists with German experience, good actors and able singers. There are too many to list: though all should have prizes, let the dramatic mezzo Sylvia Anderson (Clytemnestra), the dramatic soprano Anita Salta (Electra), the lyric soprano Barrie Smith (Iphigenia), and the *tenore robusto* Glade Peterson (Agamemnon) unfairly have special mention.

Portland's Civic Auditorium is large, a 3,000-seater, like most of the opera-houses to be found in America. (Washington has just about the only opera-house built to a human scale—a large one by European standards, but over here considered small.) The scale of the performance is roughly comparable to that of the Welsh National and Scottish Operas, or of a Frankfurt or Stuttgart home team, but—in Seattle, Houston, San Diego, Portland — they must play in these giant houses, and so something of the impact is lost. It is a problem that bedevils American opera, and affects audiences' expectations of what an opera should be. The rest of the Portland season is conventional: *La traviata*, *The Barber*, and *Die Fledermaus*. Each opera is given thrice—a separately got up production, months removed from the next.

ANDREW PORTER

beth Hall

Brahms chamber music

second of January's r music cycles last Mon- mmenced, and on the g two Mondays will com- a survey of the Brahms rios and sonatas for violin lo. The players are Peter György Pauk and Ralph um, each with soloist and strength, with the ue and staying power for and also sufficient iveness and sensitivity to powerful, like-minded le. This Monday's recital muscular but not muscle- playing in music where t quality is needed, the an occupational hazard. a stirring evening.

first half Mr. Pauk and bhsum each took his turn with Mr. Frankl in a solo sonata. The violin work was Op. 108 in D minor with its powerful, haunting first movement, development and then coda pinned to a remarkable unchanging, eternal bass pedal-note. The power was well communicated by Mr. Pauk's lean, surely projected violin tone; the atmosphere, in the first movement at least, tended to be a little muted by some imprecise bowing that slightly smeared and slithered over the violin line. By the final *Presto agitato*, Mr. Pauk's bow was again taut and firmly in place, and the stamina of both players took them over the hurdles in thorough, forceful security.

Stamina for those Brahms last movements—calling for weight of rhythm and solidity of tone when most players are slightly flagging in just those qualities—is a capacity shared by all three players. Ralph Kirshbaum, a cellist with a dark, full, pointed tone that insists always on being heard, rose in like fashion to the final fugue of the E minor Cello Sonata, Op. 38. It was wonderful to hear playing of such robust vitality in a movement that in tired hands can sound like the snarls and snapping of an angry dog. When both players have found the balance of a softer, sweeter, more radiant sonority for those first-movement major-key transformations, an already fine performance will become first-rate.

MAX LOPPERT

Maximus Discotheque

Barnstable

Barnstable, in James Saunders' half-hour lunchtime play, may or may not be the mysterious man living in the first floor of Dr. Carboy's house and shooting squirrels and thrushes. Whoever he is, he is not a practical character in the play, which concerns the situation of Dr. Carboy, his wife Daphne and his daughter Helen, his servant Sandra and the local parson, Wandsworth Teeter, in what seems to be a country mansion that is rapidly falling to pieces.

Mr. Saunders' theme is the familiar one of the British indifference to the collapse of the civilisation in which they live. *Barnstable* may almost be said to be a pocket *Heartbreak House*. Dr. Carboy—and I only assume that he is a doctor because he is constantly worrying about the health of Mrs. Fagerty, an off-stage invalid who may very well take a white pill when she ought to take a red or a blue—cares not at all when news is brought to him of the collapse of the west wing or the east. What disturbs him is the poor state of his shrubs and the invasion of moles through his lawn.

Daphne is inclined to attribute the sound of a collapsing wing to nothing worse than a falling chimney. Helen, very sensibly, is determined to emigrate, and Sandra gives notice from time to time but is talked out of it without difficulty. Insofar as their world is plunged into a Stygian darkness at the end, you may say that a climax has been reached; but insofar as the Carboys continue in these new circumstances to pursue their old courses unchanged, the climax has clearly passed unnoticed by them.

The writing has the comic elegance we expect of Mr. Saunders, and the production by Tristan de Vere Cole has a stylish artificiality tht suits it well. The action passes on the circular floor of this cosy little theatre (at the north-east corner of Leicester Square) without benefit of scenery, and much use is made of mime, sometimes to an electronic sound track. As Carboy, William Squire rumbles away like the ghost of Donald Wolfit. Graham Lines infuses occasional fleshly weaknesses into the clerical courtesies of Wandsworth; it is unlikely that that character's weakness is directed towards the cretinous Sandra of Patricia Trueman rather than the deb-orientated Helen of Lorna Heilbron, who is mad about him inasmuch as any of the characters expresses any strong emotion at all.

An enticing lunchtime piece, all in all. Get there early: there are only fifty to sixty seats and they are inclined to fill up quickly, as there is a good bar that serves sandwiches as well as drinks.

B. A. YOUNG

WORLD TRADE NEWS

Still room to improve GSP scheme

By David Egli

GENEVA, Jan. 6.

WITH THE entry into force of the U.S. Preference scheme at the beginning of this year, all preference arrangements under the Generalised System of Preferences (GSP) drawn up by Unctad have now been put into effect, it was noted here at the opening of the UN Special Committee on Preferences.

Mr. R. Krishnamurti, director of the manufactures division of the Unctad secretariat, said that beneficiary status, although extended to 98 countries and 39 dependent territories, had not been granted by the U.S. to the 13 developing countries which are members of OPEC, nor, with the exception of Romania, to those classified as Communist countries. Nevertheless, working on the basis of 1973 statistics, coverage of agricultural products was as high as 46 per cent. and of industrial products and raw materials about 20 per cent.

Despite its complexities and inadequacies, Mr. Kirshnamurti claimed, the Generalised System of Preferences has proved to be a workable instrument of trade co-operation between the developed and developing countries. But some improvements were required he told the committee.

Preferences should be extended to all developing countries without discrimination. Product coverage should be extended to include all products exported. Duty free entry should be the rule, and *a priori* limitations should be eliminated. Unctad is also calling for a harmonisation and simplication of the rules of origin.

At present, it was noted, the schemes of developed market economy countries covered only an estimated 10 per cent. of their dutiable agricultural imports from developing countries and not more than 40 per cent. of industrial imports.

Unctad talks in Jakarta

JAKARTA, Jan. 6.

THE ASIAN regional meeting of the 77 committee of (Unctad) will be held here from January 13 to 21, the Foreign Ministry announced.

Trade ministers from 35 developing countries in Asia and the Middle East will formulate joint policy on raw materials and technology exchange, after preliminary discussions by senior trade officials.

Reuter

India may share U.K. offshore oil technology

BY K. K. SHARMA

NEW DELHI, Jan. 6.

BRITAIN'S TECHNOLOGICAL know-how on offshore oil production, based on its North Sea finds, could be among the first economic exchanges that the new Indo-British joint committee will sponsor. The letters of exchange on setting up the committee were signed here to-day by Mr. Peter Shore, Secretary of State for Trade, and Mr. D. P. Chattopadhyaya the Indian Commerce Minister.

Among the terms of reference of the committee are identification and review of fields of manufacture where major production or technological gaps exist or are likely to develop in India. The object is collaboration with British industrial groups in these fields, including new fields involving advanced technology. Mr. Shore indicated that offshore oil production know-how was an important potential area.

The committee will examine possibilities for joint manufacturing programmes between industrial groups in both countries to take maximum advantage of relative production costs in the two countries.

The committee will consider the possibilities of setting up joint export-oriented undertakings in India promoting exports to third countries and set up joint ventures in other countries. It will examine issues relating to British investments in India and appoint, if necessary, working groups and organise studies on specific problems of mutual interest.

The committee will review the development of economic relations between the two countries and identify ways and means of increasing the scope of co-operation. Its terms of reference include recommendation of measures and promotional activities, such as the exchange of economic missions and delegations and participation in fairs and exhibitions, in order to stimulate economic relations.

At the signing ceremony, Mr. Chattopadhyaya pointed out that after the lapse of the trade agreement of 1939, there was no institutional mechanism to provide a systematic base for development of relations. This gap would be filled by the Committee. It was timely as the Indian economy was poised for growth and also faced the need for external help owing to its growing trade deficit.

He welcomed the new arrangements made with countries covered by the Lome Convention and hoped that Britain would "provide the necessary impetus and help further the process of globalising the initiatives taken by the EEC in respect of certain developing countries."

Mr. Shore said the Committee provided the opportunity to improve trade and investment. He said he would discuss with British companies in the private and public sectors suggestions for long-term arrangements for supply of Indian products to Britain and on co-operation between Indian and British companies in third markets.

He placed particular attention to investment and the conditions on which foreign concerns could invest in India. It was important for them to know the precise rules for investment and he hoped that the new Committee would examine problems arising from the implementation of India's foreign exchange regulation act.

Rotterdam weathers recession better than most ports

BY MICHAEL VAN OS

AMSTERDAM, Jan. 6.

ALTHOUGH THE economic recession had clearly taken its toll on shipping traffic last year, Rotterdam fared better under these circumstances than many other ports according to Mr. H. Van Der Pols, the Port Alderman He added that in the past year Rotterdam had handled twice the volume of goods as its "sister" port of Kobe in Japan, which currently ranks second to Rotterdam in the world list of largest ports.

The Port Alderman said that Rotterdam's current position as Europe's leading oil port had been further reinforced in 1975 with the further deepening of the oil channel leading into the port to accommodate ships with draughts up to 68 feet. As a result many more large tankers had called at the port and he stressed that now it looked as though the development of tankers had stabilised at draughts up to 72 feet. Rotterdam would be making an all-out effort to raise the funds to further dredge the channel to that level.

Rotterdam handled about 279m. tons in 1975, which is 4.5 per cent. or 13m. tons less than the year before—it handled as much as 309m. tons in the record year 1973. In the past year, the number of ships that called at the port was slightly down at about 32,500 (33,296), though the net registered tonnage has increased marginally to 173.2m. tons (172m. tons).

The Port Alderman said that in Rotterdam, the piece-goods sector, Ro-Ro and container traffic were causing concern. A 15 per cent. decline in the goods handled was recorded in this labour-intensive sector. This had resulted in major problems for the stevedores, the largest partners in the unique Rotterdam labour "pool," where only 75 per cent. of the fully-paid men had actually found work in the port. The total number of port workers had fallen by about 800 to about 14,500, though there had been no compulsory redundancies.

Other statistics suggest that the volume of ore handled in Rotterdam has fallen 2 per cent. to 37.9m. tons in 1975, while coal declined 6 per cent. to 7.7m. tons. The amount of crude handled, which accounts for the lion's share of the port's activity, remained about stable at 134m. tons, but oil products handled fell 14 per cent. to 34.7m. Mr. Van Der Pols stated that brighter news had been provided by the grains sector where record volume handled in 1974 of 15.6m. was topped by 1m. tons in the year under review. He said that at the half year stage it had still looked as if the total volume of goods handled would reach the previous year's level, but in the latter part, liner shipping activity had further declined as a result of the recession.

Banking figures

(as table 9 in Bank of England Quarterly Bulletin)

ELIGIBLE LIABILITIES, RESERVE ASSETS, RESERVE RATIOS, AND SPECIAL DEPOSITS

1—Banks	Dec. 10, 1975 £m.	Change on month £m.
Eligible liabilities		
U.K. banks		
London clearing banks	18,815	− 79
Scottish clearing banks	1,886	− 27
Northern Ireland banks	478	− 3
Accepting houses	1,472	+ 14
Other	5,969	− 56
Overseas banks		
American banks	2,738	+ 9
Japanese banks	168	− 17
Other overseas banks	1,670	+ 62
Consortium banks	155	+ 2
Total eligible liabilities*	33,350	− 97
Reserve assets		
U.K. banks		
London clearing banks	2,583	+ 24
Scottish clearing banks	275	+ 4
Northern Ireland banks	81	—
Accepting houses	264	− 11
Other	1,036	− 60
Overseas banks		
American banks	421	− 25
Japanese banks	25	− 2
Other overseas banks	299	+ 21
Consortium banks	43	+ 1
Total reserve assets	5,028	− 46
Ratios %		
U.K. banks		
London clearing banks	13.7	+ 0.2
Scottish clearing banks	14.6	+ 0.5
Northern Ireland banks	17.0	+ 0.1
Accepting houses	18.0	− 0.9
Other	17.4	− 0.8
Overseas banks		
American banks	15.4	− 0.9
Japanese banks	15.0	− 0.3
Other overseas banks	17.9	+ 0.6
Consortium banks	28.0	+ 1.5
Combined ratio	15.1	− 0.1
	£m.	£m.
Constitution of total reserve assets		
Balances with Bank of England	320	+ 25
Money at call:		
Discount market	1,538	+ 27
Other	229	+ 9
Tax reserve certificates	—	—
U.K., Northern Ireland Treasury Bills	1,836	−116
Other bills:		
Local authority	116	− 2
Commercial	514	+ 3
British Government stocks with one year or less to final maturity	475	+ 8
Other	—	—
Total reserve assets	5,028	− 46
	£m.	£m.
N.B.—Government stock holdings with more than one year but less than 18 months to final maturity amounted to	502	− 21
2—Finance houses		
Eligible liabilities	250	− 3
Reserve assets	26.0	− 1.0
Ratio (%)	10.5	− 0.2

Special deposits at December 15 were £973m. (down £9m.) for banks and £6m. (unchanged) for finance houses.

* Interest-bearing eligible liabilities were £22,768m. (down £260m.).

London Clearing Banks balances Page 6

Krupp-Koppers to build chemicals plant in China

BY ADRIAN DICKS

BONN, Jan. 6.

KRUPP-KOPPERS, the chemical engineering and process plant building division of the Krupp concern, announced to-day that it has received an order from China for the supply of a dimethyl terephthalate (DMT) plant with an annual capacity of 90,000 tons. DMT is a leading raw material for polyester fibre production.

The company declined to give financial details of its contract with the China National Technical Corporation, and also refused to say where in China the plant is to be built, claiming that Peking had requested that the information should not be divulged.

It did, however, reveal that production is due to start in 1979. Krupp-Koppers is to supply equipment, and will also be responsible for supervising construction and for training Chinese personnel to operate the plant.

The Chinese order brings to a total of 14 the number of DMT plants which Krupp-Koppers is to build using the Dynamit Nobel process. Among these, plants in Bulgaria, Italy, Turkey and the Soviet Union are already under construction.

Israeli shipping rates

BY L. DANIEL

HAIFA, Jan. 6.

AN AGREEMENT on shipping rates during 1976 has been hammered out between the Israeli Maritime Transport Users' Association and Zim, the Israel navigation company, after two months of negotiations.

Although operating costs rose by between 20-30 per cent. during 1975, Zim and the other conference lines working with Israel agreed to absorb part of the increased costs, in view of Israel's difficult payments situation and the need to spur exports. Rates for both exports and imports on the North-West European line will now be raised by 5 per cent. as from January 10.

An increase of 5 per cent. on Mediterranean routes will come into effect on March 1, with Zim absorbing half the increase in respect of exports. The increase for Britain is also 5 per cent. but in addition there will be an exchange rate levy of a further 5 per cent. The total of 10 per cent. will be applicable from January 10. However, Zim will try to convince the British conference to forgo 2.5 per cent. on exports from Israel.

As for services out of Eilat, the increase for cargoes to and from Iran, South Africa, and the Far East will be 10 per cent., with Zim charging half this rate for exports from Israel. The rate to and from Australia will be upped by 15 per cent., with Zim forgoing 2.5 per cent. on exports.

Total cost of maritime transport to and from Israel in 1975 came to £140m., with the increases now agreed upon expected to raise the bill some £7m. annually.

Export finance

Lazard Brothers has signed a loan agreement with Comision Federal de Electricidad of Mexico to provide export finance in support of two contracts won by Parsons Peebles Power Transformers.

The agreement is for a total of £2m. and represents 90 per cent. of the value of the contracts to supply 17 transformers to be used in Mexico's fourth power programme. The Export Credits Guarantee Department has guaranteed the loan funds for which have been provided by the Royal Bank of Scotland

The ECGD has also guaranteed a £2.8m. loan which National Westminster Bank has made available to Korea Polyester of South Korea, to help finance purchase of Scragg draw texturing machines.

The machines are being supplied by Ernest Scragg and will be installed in a new synthetic fibre plant being built at Gumi, a large industrial estate about 150 miles south of Seoul.

GUS expands in Europe

GREAT UNIVERSAL Stores has acquired a controlling interest in an up market specialist clothing store trading as "Piccadilly" at 48 Rue de la Republique in the centre of Lyons. The premises will be enlarged and completely refitted to stock men's and women's clothing and outfitting mainly exported from the U.K. It will contain Burberry and Scotch House departments.

This latest expansion strengthens the group's retail development in France which includes Burberrys store in Paris with its Scotch House shop-within-a-shop; Au Phenix in Lille, a specialist store similar to "Piccadilly"; and the 100,000 Chemises group with its 42 branches. In addition to retailing, Burberrys wholesale division is a leading U.K. exporter of high quality clothing, supplying retailers throughout France.

AMERICAN NEWS

Ford likely to name woman as U.K. envoy

By Jurek Martin

ANNE L. ARMSTRONG —Texan favourite

WASHINGTON, Jan. 6.

IT IS considered certain here that President Ford will nominate Mrs. Anne Armstrong, a loyal Republican party worker and former White House assistant to be the new American ambassador in London.

White House Press secretary Ron Nessen, asked about the nomination, said "I don't want to confirm or deny it. We have to do things in an orderly way."

It was unclear here whether formal application to the British government for agreement had already been made, but British acquiescence to the American request is considered a formality. The U.S. Senate would also have to confirm Mrs. Armstrong's nomination, but difficulties are unlikely to occur here.

The only question that may arise centres on the fact that Mrs. Armstrong was a White House aide to the disgraced former President Nixon.

However, there is no evidence that the 48-year-old mother of five was in any way involved with the Watergate cover-up. Her record prior to joining the White House had been that of a staunch party worker, starting in her home state of Texas and becoming co-chairman of the Republican Party in 1972.

Banks help Pennsylvania

A syndicate of banks agreed in principle to a 20-month plan designed to save Pennsylvania's housing finance agency from default, Governor Milton J. Shapp announced yesterday. The banks would loan the housing agency $60m. to pay off short-term notes coming due from February 2.

Exxon agrees with Venezuela

Exxon Corp said agreements have been reached with Venezuela under which an Exxon affiliate will buy an annual average of 965,000 b/d of crude oil and petroleum products. Volumes and prices will be agreed quarterly. Exxon will also provide technical assistance to Venezuela.

Coleman to take a month over Concorde decision

BY DAVID BELL

WASHINGTON, Jan. 6.

MR. WILLIAM COLEMAN, the American Secretary for Transportation, is expected to take a full month to decide whether to permit Concorde to land in the U.S. following yesterday's long day of public hearings.

British officials said to-day they were well pleased at the way the day had gone and they had high praise for the Secretary, who was careful to give no hint of his own views on the aircraft and *remained studiously impartial* throughout more than eight hours of testimony.

Privately, however, some British officials concede that, even though some of Concorde's ghosts were successfully laid to rest yesterday, the British and French team failed to make very much impact on the key charge—that Concorde is unacceptably noisy.

"We did broaden the debate so that Mr. Coleman will have to consider international relations, but international relations may not be very important in America particularly in an election year," one official said.

Mr. Coleman is very much a lawyer and it was clear yesterday that in making up his mind he will pay close attention to the status of the aviation treaties with Britain, France, and perhaps more important, to the state of U.S. noise regulations.

The secretary was obviously impressed by the strength of opposition to Concorde landing in New York because of the added noise nuisance for those living around Kennedy Airport, and some of Concorde's opponents claim that he is likely to ban the aircrft from New York but allow it into Washington, thus achieving a neat diplomatic compromise, but depriving British Airways of the nation's key airport—thus satisfying most of the environmentalists.

Such a solution would also dampen the Congressional opposition, much of which comes from New York legislators. But to reach Washington Concorde would have to fly around the military air zones and this would reduce the number of passengers it could carry at certain times of the year if it is to have adequate fuel reserves. How many passengers is not yet clear, but this would clearly make Dulles a far less attractive terminal than New York.

● Mr. Geoffrey Knight, vice-chairman of the British Aircraft Corporation, confirmed that talks were still going on between BAC and McDonnell Douglas about possible co-operation in building a second generation supersonic aircraft with a longer range than Concorde and far quieter engines.

He said that the talks were only at the most preliminary stage and were part of discussions with U.S. and other manufacturers aimed at exploring possibilities for the future. "It seems to me that sooner or later there will have to be an American supersonic aircraft and some U.S. manufacturers are still keeping a close eye on what is going on," Mr. Knight said.

Michael Donne writes: U.K. and French officials on this side of the Atlantic were adopting a cautious attitude yesterday to the Concorde hearing in Washington on Monday.

While most comments were that Mr. Coleman, the U.S. Secretary for Transport, had conducted the hearing with fairness, there was still some concern that internal U.S. political factors would be allowed to sway the issue, and that Concorde might be either banned entirely, or limited to a few flights weekly into Washington's Dulles airport.

British Airways yesterday was clearly disturbed at comments by Mr. Hugh Carey, the Governor of New York, that Concorde *should be banned from Kennedy* Airport.

BA is expecting to take delivery of its first Concorde from the British Aircraft Corporation on January 15, and expects to have three aircraft of the five on order by end-March.

Rupert Cornwell, in Paris, adds: France's largest trade union to-night urged the Paris Government to boycott U.S. goods and aircraft if the Anglo-French Concorde is refused landing rights in the United States.

This call for retaliation against an adverse decision after the present hearings on the supersonic plane in Washington came in a statement by the Communist-led CGT union. The CGT is confident that France's other unions will follow its lead, and already its partners have asked the French Government to consider strong retaliatory measures.

The strong sentiments of the CGT contrast with the studiously low profile being kept by Paris. Although President Giscard d'Estaing has said he will fly on Concorde when he makes his State visit to the U.S. later this year, he has carefully avoided politicising the present dispute.

Peron cancels broadcast

BY ROBERT LINDLEY

BUENOS AIRES, Jan. 6.

A NEW WAVE of rumours was touched off here to-day by the failure of President Maria Estela Peron to appear at an Epiphany party for children in the Presidential villa and by an official announcement that a speech she was to have made on television to-morrow has been postponed indefinitely.

No reasons have been given for the changes in Sra. Peron's schedule, although there is speculation that she is indisposed again. This morning at the Presidential villa, where the children's party went ahead without her, Sra. Peron's private secretary, Julio Gonzalez, her Press secretary and her air force aide de camp were noticeably preoccupied.

Sra. Peron was to have spoken to-morrow on the so-called "national project," which her late husband, President Juan Peron, had planned to submit for discussion to all the representative sectors in the country.

Meanwhile, the army has announced that at least 14 guerillas were killed on Sunday in a battle between the combined forces—armed forces and police—and the Marxist People's Revolutionary Army (ERP) in the remote north-western province of Tucuman. The army communique says that the rest of the ERP group is surrounded and will be bombed by air force planes.

On the economic front, official figures show that inflation last year climbed to 334.8 per cent., apparently surpassing the 1975 inflation in Chile to become the highest of any Latin American country.

During the 11 months ended on November 30, also according to an official source, inflation in Chile had reached 311.5 per cent. and was not expected to rise above 330 per cent. for the entire year, the exact total for which has not yet been released.

Economy Minister Cafiero, who has said that inflation in Argentina will be reduced to 50 per cent. this year, may announce a series of measures calculated to hold the line on prices

Ecuador swept by riots

BY SARILA KENDALL

QUITO, Jan. 6.

PUBLIC TRANSPORT services in Ecuador's main cities have been suspended indefinitely after widespread rioting and demonstrations forced buses off the streets yesterday. Initially directed against an unpopular 20 per cent. increase in urban bus fares, the rioting rapidly developed into a more generalised anti-Government protest.

Hugh O'Shaughnessy writes: The unrest is related to the financial difficulties which Ecuador has been experiencing due to its inability to export the oil it needs to sell to finance the Government's development plans. Ecuadorean crude is marketed internationally by the Texaco-Gulf consortium which has reported problems in moving it at the OPEC prices which the Ecuadorean Government is adhering to. CEPE, the Ecuadorean State oil concern, has a 25 per cent. stake in the Texaco-Gulf operation.

For more than a year, the Ecuadorean Government has suspected that it has been the object of financial pressures from those with an interest in detaching Ecuador from OPEC and thus engineering the first major breach in the Organisation's unity.

Ecuador was in late 1974 offered a very big loan by OPEC countries in the Middle East in an effort to shield it from any financial embarrassment and maintain it within OPEC.

KANSAS CITY: THE REPUBLICAN CHOICE

Where east meets west

BY ARTHUR JONES IN KANSAS CITY

Kansas City, Missouri, setting for the Republican National Convention next August, is a city with a very good national image, which it keeps polished by an expensive publicity machine, as "one of the few livable cities left." Whether it really is "livable" depends on where in Kansas City one lives.

It is the city where American east meets American west, where sophisticated, urban America rubs up against rural, agricultural, America. It is in a part of the country known as the heartland, and that may be a reason why Kansas City feels so superior.

To people from scores and even hundreds of miles in any direction, Kansas City is the only city there is. Chicago is 500 miles north; St. Louis 250 miles east; Denver 600 miles west; Dallas 600 miles south, with not much in between. It is an island—some might say an oasis—surrounded by waves of grain, cattle ranches, pig farms, and rolling agricultural land. Kansas City draws much of its population, and most of its admirers, from the small towns and cities of states like Kansas, Missouri, Iowa, Nebraska, Arkansas, and Oklahoma. It was in "Oklahoma!" that they sang, "Everything's up to date in Kansas City."

But Kansas City is more up to date in the problems of U.S. cities generally than the image boosters care to admit. There have been at least 107 murders in 1975, most of them in the decaying black ghettoes, or the crumbling sections where the Mexican Americans live. The nationally-known chief of police, Mr. Joseph McNamara, may be a Harvard graduate, but his police department quite recently had five men suspended on suspicion of being connected with a stolen goods ring. In its day, Kansas City was "Tom's Town," so named for Tom Pendergast who ran a political machine powerful enough to help catapult the area's favourite local son, Mr. Harry S. Truman, into national politics.

The city fathers have tried hard to make the greater Kansas City area into a metropolis, but the brand new airport nearly 20 miles from downtown and ambitious building plans began to come together only after the boom of the 1960s had passed. New hotels near the airport are plagued by empty rooms, as are many downtown office buildings. The $30m. H. Roe Bartle convention centre may not even be ready for the convention, in which case the Kemper Arena sports complex will be the substitute site.

"Downtown" is suffering from the chronic complaint of U.S. cities—the lack of business. The shoppers stay away, they drive to the huge shopping plazas and malls of the suburbs to which the population—the white population—continues to move, and into which the newcomers themselves settle.

> These underpopulated plains states are rapidly becoming the U.S.'s most strategic weapon.

To look at Kansas City only as a geographic area, however, is to do it a disservice. As part of the mislabelled Midwest, the 1.5m. or so people of the greater Kansas City area are "middle Americans." They work hard, they live moderately, they support the local football teams—though the symphony orchestra is in a state of collapse—and thrive on a blend of family life, religion, and the "great outdoors."

The cowboys and thousands of teenage Future Farmers of America from across the nation still come flocking in every November for the American Royal Livestock, Horse Show and Rodeo. This year, Mr. Tom Ferguson, the country's top cowboy, who makes $100,000 a year wrestling steers into the dust, was just one of the attractions.

But next year, at convention time, the Yippies (the Youth International Party) have promised to be in town. The Chief of Police, Mr. McNamara has expressed his concern that terrorists will be in town to help "blow out the candles on the U.S. Bicentennial birthday cake." He is appealing for federal and state law enforcement assistance, and he will get it.

The protection will be given to a place that is rather pleasant socially. In few other American city or suburban areas could the hundreds of statues, facsimiles of oxcarts and covered wagons, monuments to "Mothers of the Prairie" and frontier scouts, be secure from vandals. The schoolchildren may smoke their share of pot, but they are polite and generally well-mannered. People nod to one another and exchange greetings on the street, and there is a prevailing air of courtesy and politeness not found in the more embittered cities 500 miles to the north, or 1,500 miles to the east.

Republican convention delegates unfamiliar with the Midwest or with Kansas City will be surprised by the quality of much of the local architecture, by the sophisticated hotels, and by the high prices in the good restaurants. The local architecture owes much of its impetus to the late J. C. Nichols, a real estate developer who, when he created the Country Club Plaza shopping and residential area in the 1920s—in a pseudo-Mexican style — turned what might have been one more dull Midwestern city into an area with a little grace. Locals boast that Kansas City has more fountains than any other bar Rome, more boulevard miles than any but Paris, more green areas than San Francisco.

But the conventioneers will come and go without knowing that 90 per cent. of the wheat Russia and China buy is traded on the local Board of Trade. They probably will not learn that there are people still alive here who grew up in sod houses and the flatlands, who knew what an Indian raid was, and that the Santa Fe trail ran along what is now Santa Fe Avenue.

The visitors will not realise the extent to which this area, too, is America, and that these underpopulated plains states—home to millions of Americans — are rapidly becoming the U.S.'s most strategic weapon. This is where the food comes from for a corn, wheat, sorgum, soybean, nutrition-short world. Conventions may come and go—the Democrats were here in 1900, the Republicans in 1928, and the Democrats held a "mini" convention here last year—but the harvest is annual and that is the calendar the area lives by.

In an area settled as a fur and general "go West young man" trade centre, which turned to meat-packing, and then distribution, insurance and light manufacturing, Kansas City has some achievements of its own: it ranks first in U.S. envelope production; first in farm equipment distribution; first in frozen food storage and distribution; in greeting card publishing; in hard winter wheat marketing; in underground storage space; in vending machine production. Kansas City jazz still lingers on; Kansas City strip is a fine cut of beef.

By U.S. east coast—and for that matter by British — standards, the people talk "folksy," look "homey" and wear casual clothes. Kansas Citians can drop £30 at a fine restaurant after a meal for two—but the gentleman doesn't have to wear a tie.

And those cigar-chomping, pick-up truck driving, rough-talking men in their 10-gallon hats who drive into town during the American Royal rodeo are not country bumpkins they are holders of the strongest economic card the U.S. has to play in the high-stake survival game of the Seventies.

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OVERSEAS NEWS

…alestinians …ragged' …to Beirut …ivil war

…n Hijazi

BEIRUT, Jan. 6.

…IG front-page headlines, …t newspapers here to-day …that Lebanon was on the …of another "blow up," and …ed the Rightists of …rately trying to drag the …inian guerillas into the …communal fighting here …erupted in several areas …city.

…se papers sounded the …because Christian militia- …have thus far refused to …he blockade they had en- …against the Palestinian …e camp at Tal Al Zaatar …capital's eastern suburbs.

…htist armed men this morn- …pened fire on two armoured …of the Lebanese security …which were escorting two …carrying flour for the … In the shooting, which …place at the predominantly …ian quarter of Furn Al …ack on the Beirut- …scus highway, the two …s were put out of action.

…incident showed that …by the "Higher Co-ordina- …ommittee" to end the siege …thus far come to naught. …inous sign last night was …lk-out from the committee, …comprises representatives …ring factions, of the mem- …representing "Al Moura- …," the Moslem militia of …dependent Nasserite move- …headed by Mr. Ibrahim …at.

…drawal from the commit- …the same representative …onth set the stage for the …by Al Mourabitoun and …leftist militiamen in the …district on the seafront.

…inally, Tal Al Zaatar had …lation of about 4,000, but …cent years, the popula- …the camp and around it …d to about 50,000. About …0 other Moslems, mostly …live in adjacent districts, …ey too are affected by the …ian blockade.

…tists were reported to have …d that the Palestinians …reopen the road to the …ian mountain resort of …Mirri which the camp con- …n exchange for lifting the …

…y Al Sharq, which supports …and is close to the com- …group Al Saiqa, warned …editorial to-day that the …t siege seeks to involve …erillas on the Lebanese …al strife in an attempt to …ine the Palestinian case …forthcoming debate at the …curity Council. "This is …American - Zionist con- …," the paper said.

Syria may press for new UN resolution

BY LOUIS FARES

DAMASCUS, Jan. 6,

SYRIA'S Deputy Premier and Foreign Minister, Abdul-Halim Khaddam, left here to-day for Riyadh, Saudi Arabia, starting a tour that will take him to a number of Arab States.

Although nothing was revealed officially as to the purpose of the tour, observers here believe that Khaddam is carrying letters from Syrian President Hafez Assad marking the beginning of Syria's diplomatic offensive to marshall support at the forthcoming debate on the Middle East question, scheduled to start at the UN Security Council on January 12.

Syria succeeded last November in linking the extension of the mandate of the UN force in the Golan Heights with the debate on the Middle East to which the Palestine Liberation Organisation (PLO) has been invited. Over the past few weeks, Syria has been busy preparing for this debate by drafting an agenda of the meetings. Both the PLO and Jordan have already—after a number of senior level meetings and consultations—endorsed the Syrian position. It is generally believed that the Syrians now want to ensure the endorsement of other Arab leaders to their UN agenda.

Many factors indicate that Syria will try at the Security Council debate to introduce amendments to the Council's Resolutions on the Middle East—in particular 242 and 338—"in a way that gives no room for several interpretations, but a clear-cut text," as a senior official said here recently. It is also believed that Syria will try to obtain a new resolution "summing up" all the former resolutions. Later, the Security Council will be held responsible for the implementation of this new resolution.

Ihsan Hijazi adds from Beirut: A reconciliation of sorts is under way between the Palestine Liberation Organisation and Egypt which has been prompted by the UN Security Council debate on the Middle East and Palestine questions scheduled for next Monday.

Dr. Basil Aqel, the PLO's permanent delegate to the UN, flew from here to Cairo yesterday for talks with Egyptian Foreign Minister Ismail Fahmi on a common stand at the debate. Dr. Aqel had arrived here for consultations with PLO leaders.

This is the first formal contact between the PLO and the Egyptian Government since the latter closed down the PLO's radio station, "Voice of Palestine," last September because the Cairo-based station attacked Egypt's second-stage agreement with Israel in Sinai. The PLO's strong objection to the agreement has been the cause of the strain with Egypt.

At present though, the PLO is attaching a great deal of importance to the Security Council debate and is thus setting aside its differences with Egypt in the interest of a common Arab stand.

The Palestinian strategy at the debate was worked out yesterday at a five-hour meeting here by the PLO's executive committee under Mr. Arafat. The committee also appointed a ten-man delegation to the debate led by Mr. Farouk Kaddoumi, the head of the PLO's political department.

Arab alienation in Israel

BY TOM ACKERMAN IN TEL AVIV

"THE ARABS of Israel find themselves beset by complexes and frustrations.... The accumulated burden of bitterness, alienation and disappointment with the state and Jewish society have, in my opinion, reached alarming proportions and time is working against us at a dizzying pace."

Mr. Shmuel Toledano, for the past decade the principal adviser on Arab affairs to three Israeli prime ministers, delivered that confidential evaluation to the Cabinet in March, 1973, seven months before the Yom Kippur war. In the wake of a Moslem Communist's sweeping victory in the Nazareth mayoral elections, Mr. Toledano was quoting himself publicly last month prove that the writing had been on the wall for some time.

In Nazareth Elit, the stark and wind-swept Jewish town placed strategically on the ridges overlooking Israel's largest Arab town, the election results were met by angry demonstrations and calls to boycott the population and the shops below. Weeks before his stunning win, Mr. Tewfik Zayyad, Moscow-trained and a graduate of Israeli detention cells during the 1950s, was dubbed an "agent of Arafat" by one cabinet minister.

By the day after Christmas, how-ever, when Mr. Zayyad took office, the central Government appeared to be adjusting with equanimity. The Interior Minister's personal representative was at City Hall to wish the new Mayor well and to offer whatever help Jerusalem could provide. Mr. Zayyad, for his part, promised to devote all of his efforts to the town's development. There were other forums for political issues, he explained.

Nonetheles, the new mayor has not denied the epithet of his adversaries who are only to well aware of the fact that the most famous poem of this writer-politician extolled the valour of Egyptian and Syrian soldiers in the October War of 1973. They must fear that the victory of an avowed Arabn ationalist in Israel could encourage extemism when the West Bank municipalies go to the polls on April 12. Held under old Jordanian law, the elections in the occupied territory have nothing to do with Israeli democratic processes. But these days, after eight years of freedom of movement between the Israel and the West Bank the two communities obviously cannot be considered as separate, self-contained entities.

The fact that two of every three Nazareth voters cast their ballot for the Communist candidate after 20 years of local administration by "positive minority elements"—in the jargon of the bureaucracy in Jerusalem—made the panicky response from their Jewish neighbours more than understandable.

First reactions have included a proposal that the Rakah Communist list, with four deputies already sitting in the Knesset, be outlawed as a hostile organisation. But this idea will probably not get very far. As the only national party appealing to Arab nationalist sentiments, it has the virtue of being an above-ground outlet for feelings that might otherwise be channelled into subversive clandestine sabotage. According to official figures, fewer than 400 of Israel's 440,000 Arab citizens have been detained or tried for hostile acts since the 1967 war. The authorities do, however, exercise their legal right to issue occasional administrative orders coffining individuals without explanation to their localities by day and their homes at night for up to six months at a time.

It was this relatively easy-going line, helped by Israel's economic boom over the past seven years, that determined the Government's internal Arab policy as overseen by Mr. Toledano. With the abolition of emergency military administration over Galilee in 1966, the Arab majority there largely sublimated its irridentist inclinations amid the general wave of Israeli confidence that followed the six-day war.

Jerusalem's command of events, however, was inevitably limited by its dependence on the traditional Arab clan leadership to dispense political patronage and manage local affairs. Unfortunately, most of the better-educated and skilled men bred during the British mandate took their leave in the 1948 war. Those who remained often combined administrative ineptitude with personal indulgence. Such was the case in Nazareth, where the interior ministry dismissed the previous elected council for malfeasance.

Thus the bulk of a far better schooled mass than the Arabs used to be has come of age just as a once-vague affinity with pan-Arab ideals has been ripening into a better-defined call for Palestinian self-determination, and now statehood, under the banner of the PLO. Added to that is the effect of day-to-day contact with the 1m. inhabitants of the West Bank and the Gaza Strip. At first the object of faint condescension for its quaintness and economic backwardness, the population under occupation has in time won an elevated standing for its unambiguously anti-Israeli militancy.

Mr. Toledano's campaign for a continued liberal policy has emphasised an optimum exploitation of this affinity, primarily by pursuing the recruitment of Arabs into high-level policy-making levels in Government, the Histadrut trade union federation, and the Labour Party, in positions not necessarily restricted to Arab affairs.

With several prominent exceptions, two years of practical efforts to this effect have been a failure. The blame can be apportioned between Government departments that regard themselves as the last bastions of national security and qualified Arab jobseekers who in the end find the private sector financially more rewarding and phychologically less harrowing. In the foreseeable future, Mr. Toledano says, the alienation must worsen. "There is a war on with the Arab enemy, so it seems that it is not practical to grant Arabs a sense of belonging, as I should recommend. It could be the ideal solution, but it is not realistic to-day."

U.S. and Britain confer on Angola

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

FOLLOWING talks between Mr. William Schaufele, the U.S. Assistant Secretary for Africa, and Mr. David Ennals, Minister with responsibility for Africa in the British Foreign Office, it would appear that Britain and the U.S. are following roughly the same policy on the Angolan war.

The essential elements are that there should be an early ceasefire, a withdrawal of all foreign intervention from Angola, and the formation of a government composed of all three liberation movements. According to British sources, both the British and the U.S. Governments have agreed to support this policy in their dealings with African states, in the hope that it will be adopted by this week-end's special summit of the Organisation of African Unity.

Mr. Schaufele, who has just visited Zaire, Ivory Coast, Gabon, Cameroun and Senegal, as well as Paris and Bonn, left London last night after a 24-hour stopover during which he met Mr. Ennals and officials.

A Foreign Office statement said it was clear that the U.S. and British governments "hoped there could be an early ceasefire in Angola followed by the ending of foreign intervention and a negotiated settlement." It added that in this connection "both recognised the importance" of the OAU summit this week-end.

British officials see a shift in American policy, in that Mr. Schaufele apparently agreed that it should for the time being be left to African states to pressurise the Soviet-backed MPLA into persuading the Soviet Union and Cuba to withdraw from Angola, rather than make he question of withdrawal one for U.S.-U.S.S.R. relations within detente.

However, whether or not the British and Americans have agreed on strategy, it must remain doubtful whether they can greatly influence the OAU, some 20 of whose members have already recognised the MPLA. The MPLA itself, with its reported recent victories, seems unlikely to want Soviet withdrawal at this stage.

Reuter adds from Johannesburg: Fierce fighting was reported on four battlefronts of the Angolan civil war to-day, with the Soviet-backed MPLA claiming new successes.

An MPLA army communiqué broadcast by Luanda Radio and monitored here said its troops had taken the town of Kungo, south of Cariango, on the central front. Cariango is about 130 miles south-east of Luanda, the MPLA-held capital. The communiqué said three South African regular soldiers were among 19 prisoners taken at Kungo.

The radio said the MPLA forces were advancing on all fronts — north, centre-south, south and east. Behind them came political commissars, moving into the "liberated areas" to organise the tribes people, it said. The people were being urged to boost agricultural production as part of a "production battle," it said.

● South African troops and mercenaries have launched a major thrust against the strategic Angolan town of Malange, the official Soviet news agency Tass said to-day.

Smith and Nkomo teams hold more plenary talks

BY TONY HAWKINS

SALISBURY, Jan. 6.

RHODESIAN and African National Council negotiators met for 90 minutes in Salisbury this afternoon for what was later described in a joint communiqué as "frank and cordial discussions."

To-day's meeting was the second plenary session held by the Smith Government and the Nkomo ANC. Neither side would afterwards give any details of what had been discussed. The two sides met at Governor's Lodge—formerly the official residence of British Governors of Southern Rhodesia and now the Public Service Training College. The previous plenary session in mid-December was held at an army barracks close to Salisbury but the ANC objected to further talks there on the ground that this was unsuitable.

The two teams are to meet again to-morrow afternoon. The Rhodesian talks team, led by Mr. Ian Smith, included one new participant in the form of Transport Minister Roger Hawkins, while the ANC, led by Mr. Nkomo, fielded the same 12 delegates as last time.

The nationalists are apparently anxious to meet daily over the next two weeks in order to push the talks to a conclusion.

Thai unions force PM to back down

BANGKOK, Jan. 6.

PRIME MINISTER Kukrit Pramoj backed down to-day on plans to raise the price of rice, ending a confrontation with Thailand's trade unions.

The Prime Minister also strengthened his hold on office with a deal to bring the 19 members of the opposition Social Agrarian party onto the Government side. An Agrarian Party official said it had agreed to join the ruling coalition, which will give Mr. Kukrit a secure majority in the 269-seat legislature. His opponents have tabled a motion of no confidence.

A rally by 10,000 strikers threatened to intensify stoppages in public services if the government did not abandon plans to raise the price of rice by 30 per cent. from January 15. Mr. Kukrit agreed with the unions to-day that rice will be sold at present prices until the government feels an increase essential.

Reuter

IN BRIEF

Queensland bans drilling

The Queensland Mines Minister Ronald Camm said the State Government will not permit oil drilling on the 1,000-mile Great Barrier Reef or between the reef and the mainland. Mr. Camm said a Royal Commission inquiry into the effect of drilling on the reef had recommended against it except in special circumstances.

Giap in Algiers

North Vietnam's Defence Minister, General Nguyen Giap, yesterday met in Algiers leaders of the Algerian backed Polisario Front, the movement fighting for the independence of the Spanish Sahara against Morocco. Meanwhile, Morocco has still not released the Soviet freighter Saphir seized in the port of Agadir on Saturday on gun-running charges.

Burmese rebels

More than 200 rebel guerillas were killed and 10 others captured in clashes with government troops during the past two months, the official Burmese news agency reported yesterday. It said government casualties for the same period were 46 soldiers killed, 13 missing and 157 wounded. The guerillas included members of the outlawed Burmese Communist Party and rebel groups in the north eastern Shan state.

THE SOVIET FIVE YEAR PLAN

A tough nut for management

BY DAVID LASCELLES, EAST EUROPE CORRESPONDENT

THE KREMLIN has been careful not to repeat its error of 1971 by raising false hopes with its new Five Year Plan. There are few lofty targets vulnerable to bad harvests and inefficiency. There are no special promises about wages and consumer goods, not even a pledge that new housing will keep pace with the growth in population.

Instead, the Russians can expect only modest improvements—and demands to work harder. Industrial targets are down, and heavy industry once again becomes top priority following the ill-fated attempt to give preference to light industry in the last Plan.

The target for national income growth is also lower than in the last five years (24-28 per cent. against 28 per cent. achieved in 1971-75). Little understood in the west, this is a key figure since it indicates the "profit" of the Soviet economy, or how much will be left for wages and services once the economy's other costs have been paid.

Wages will go up 16-18 per cent. against 20-22 per cent. in the old Plan, the biggest share going to collective farm workers who have always been the lowest paid. The targets for consumer goods are down, and the growth figures for basic foodstuffs like milk, eggs and meat are not large when set against the expected population rise of 5 per cent.

True, there are calls for greater quality and variety of consumer goods, and output of durables is intended to continue growing at the current rate of 60 per cent. But many of these items (like fridges) will be for export, and the target for domestic retail sales is only 27-29 per cent. compared with 36 per cent. achieved in the last plan, suggesting that shops will only improve slowly.

On top of this the Plan says that higher labour productivity must account for 90 per cent. of the growth in industrial output, and all of the growth in agriculture and construction. These—perhaps witshful—figures, compare with an average 80 per cent. in the last Plan, underlining the pressing need for better work particularly since the overall investment rate will increase more slowly.

An uninspiring prospect perhaps. But as Soviet commentators have pointed out the Plan promises a steady rise of living standards when the best most westerners can hope fot is not to slip backwards.

But the Plan is also remarkably hard-nosed, and the Kremlin would have been dishonest to hold out a brighter prospect in this weighty document which took five hours to read out over Moscow Radio. For the strains of uneven development with industry outpacing the supply of raw materials, and inefficiency reducing expected rates of return, are beginning to show.

The overall picture that emerges is of a potentially vigorous industrial base held back by often critical shortages of raw materials (due mainly to a lack of processing capacity because the materials themselves are there) and inefficiency at all levels from the ministries through to the shop floor.

The job of sloving many of these problems is itself hampered by shortages of labour, capital and inventiveness, three resources which need to be brought in from abroad—hence the promising-looking section on foreign trade.

Top priority, as expected, is given to agriculture whose poor performance and bad management generally is blamed for the failure to fulfil the last Plan. There are sharp increases in all the basic targets. Average annual grain production is to be 215m.-220m. tons, an ambitious rise of 20 per cent. over the 1971-75 level, and overall production is to be 14-17 per cent. higher.

Tractors and fertilisers will rise by up to 60 per cent., and grain storage capacity will be increased by 30m. tons.

The main aims, according to the document, are to increase grain and industrial crops, and to develop animal husbandry and the fodder base. But significantly the planned rise in investments in agriculture of 40bn. roubles is less than the 49bn. achieved in the last Plan and undoubtedly heavy demands will be placed on workers to reach the growth target through greater personal effort. Judging by the planned productivity figures, each agricultural worker will have to produce up to 30 per cent. more than he did in the last Plan.

The second plan priority is greater efficiency throughout the economy. The document calls for better use of resources, faster turnover and a reduction in construction times. There are also calls for "substantial" cuts in the share in production of manual labour, reflecting the extra worry of low birth rates and the dip in supply of new labour which is expected to coincide with the new Plan.

Despite attacks on bad management and demands for higher quality, the Plan offers few new ideas as to how improvements could be made. There are hints that wholesale prices will be made more realistic to develop cost-consciousness in industry, and that financial autonomy will be extended. But apart from these, and the usual calls for more automation and efficiency, there is no special section on management and planning, nor any promise that major new initiatives are on the way.

This seems to be the major weakness of the Plan, given that it is saturated with demands for better work and management, and it seems to point to a lack of inspiration among the Soviet Union's ageing leaders.

The inability to give light industry top priority once again may have disappointed the Kremlin, but this is a luxury it cannot now afford. According to Soviet commentators the reason is expenditure on oil and gas extraction in Siberia, the need to develop the engineering industry and, of course, agriculture. Interestingly, environmental protection now features as a major demand on the budget too.

Total industrial production will rise by 35-39 per cent., but the greatest rises will come in computers (80 per cent.) and automation equipment (60-70 per cent.) from a low base. Priority will also go to science-based industries reflecting Soviet preoccupation with new technology.

But the increase of capital investments overall will slow down. The planned rate of growth of 24-26 per cent. compares with 43 per cent. in the old Plan, and the emphasis will be on modernising and expanding existing factories (also completing the large number of wasteful unfinished projects) rather than embarking on an array of new ones.

Heavy demands will also be put on labour with a planned productivity rise of 30-34 per cent. This is what was achieved in 1971-75, but this time it will have to be done with a lower investment rate. Management has also been told to cut overall industrial costs by 4-5 per cent.

One of the fastest-growing industries will be energy, along with the related chemical and petrochemical sectors. The 1980 oil target is 620m.-640m. tons, a modest but realistic increase of 27 per cent. on the 490m. reached last year, given the great difficulty of opening up new fields in Arctic Siberia.

More spectacular increases, as expected, are due for natural gas where the target is 400bn.-430bn. cubic metres in 1980, a rise of 42 per cent. This is the figure which will transform the Soviet Union from a modest energy exporter to-day into a major one by the end of the decade.

The chemical and petrochemical industries will also grow rapidly with a targeted increase of 60-65 per cent., with special emphasis on synthetic rubber, *rubber being one of the few* major raw materials of which the Soviet Union is naturally short.

The steady rise in steel production will slow down slightly, but this need not be significant given the aim of producing more economic and lighter metal goods. Bigger rises will come in non-ferrous metals, notably titanium which, though of great military value, is also becoming a useful hard cash export to the west.

Foreign trade has been set what looks like a low target of 30-35 per cent. But this will almost certainly be greatly exceeded judging by the performance of the last Plan.

According to Mr. Baibakov, the Planning Minister, imports from western countries will consist chiefly of equipment for the production of mineral fertilisers, and for the development of oil, gas, and paper and cellulose, and "certain other industries." However, the obvious shortage of capital and technology hinted at in the Plan, along with the stress on modernisation, automation and the like, suggest that a significant reliance on western imports has been built into the Plan, with all this implies for détente. There is no mention of credit policy but repeated references to co-operation.

Significantly, the section on foreign trade talks of the need "to enhance the role and responsibility of industrial ministries and departments in developing foreign economic relations." This could be the beginning of an easing of the present system where foreign trade can only be conducted through foreign trade ministries or organisations.

But overall, this Five Year Plan, the 10th, does not look like being a memorable or innovative one. It could scarcely afford to be, given the troubles it has inherited from the Ninth. And its more optimistic targets will still depend on imponderables like the weather, which Soviet agriculturalists fear may have taken a lasting turn for the worst. But with luck, the targets could be exceeded, some by large margins, and this would boost the Government's image.

SOVIET PLAN TARGETS 1976-80
Figures in brackets denote 1971-75 Plan achievements

National Income	24-28% (28%)
Industrial production	35-39% (43%)
—heavy	38-42% (41-45%)
—light	30-32% (37% achieved, original target 44%)
Capital investments	24-26% (43%)
—agriculture	30% (60%)
Wages	16-18% (20-22%)
Steel	160-170m. tons (142m.)
Oil	620-640m tons (490m.)
Gas	400-430bn. cu m (285bn.)
Grain	215-220m. tons annual average (180m.)
Meat	15-15.6bn. tons a year (14.1bn.)
Agricultural production	14-17% a year (13%)

London Clearing Banks' balances

at December 10, 1975

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England. Tables 1, 2 and 3 are prepared by the London clearing banks. Tables 1 and 2 cover the business of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the banking sector. Table 3 covers the parent banks only. In this, it is comparable with the figures produced by the Bank of England, which show the reserve positions of all the banking sectors subject to credit control. Minor differences here arise from the exclusion from the clearing bank figures of Coutts, a subsidiary of National Westminster but a clearing bank in its own right.

TABLE 1.
AGGREGATE BALANCES

	Total outstanding £m.	Total outstanding £m.	Change on month £m.	Change on month £m.
LIABILITIES				
Sterling deposits:				
U.K. banking system	2,603		− 2	
Other U.K. residents	22,601		− 9	
Overseas residents	1,604		+ 91	
Certificates of deposit	1,563		+ 1	
		28,371		+ 81
of which: Sight		10,473		+264
Time (inc. CD's)		17,898		−183
Foreign currency deposits:				
U.K. banking system	2,540		− 22	
Other U.K. residents	649		+147	
Overseas residents	7,057		+ 21	
Certificates of deposit	1,061		− 24	
		11,307		+122
Total deposits		39,678		+203
Other liabilities*		6,144		+110
TOTAL LIABILITIES ...		45,822		+313
ASSETS				
Sterling				
Notes, coin and balances with Bank of England		1,109		+101
Market loans:				
Discount market	1,277		− 84	
U.K. banks	4,460		+257	
Certificates of deposit held ...	594		− 38	
Local authorities	1,167		+ 25	
Other	370		+ 58	
		7,868		+218
Bills:				
Treasury bills	1,203		− 53	
Other bills	681		+ 36	
		1,884		− 17
Special deposits with Bank of England		667		—
Investments:				
British Government stocks ...	1,840		+ 23	
Other	1,005		+ 4	
		2,845		+ 27
Advances:				
U.K. private sector	13,550		−238	
U.K. public sector	181		−110	
Overseas residents	1,898		+ 41	
		15,629		−307
Other sterling assets*		4,055		+166
Foreign currencies				
Market loans:				
U.K. banks and discount market	2,654		− 2	
Certificates of deposit held ...	221		− 8	
Other	3,863		+110	
		6,738		+100
Bills		41		+ 3
Advances:				
U.K. private sector	1,431		+ 20	
U.K. public sector	852		+ 6	
Overseas residents	2,179		+ 11	
		4,462		+ 37
Other foreign currency assets*		524		− 15
TOTAL ASSETS ...		45,822		+313
Acceptances		251		− 11

* Includes items in suspense and in transit.

TABLE 2. INDIVIDUAL GROUPS OF BANKS' BALANCES	TOTAL Outstanding £m.	TOTAL Change on month £m.	BARCLAYS Outstanding £m.	BARCLAYS Change on month £m.	LLOYDS Outstanding £m.	LLOYDS Change on month £m.	MIDLAND Outstanding £m.	MIDLAND Change on month £m.	NATIONAL WESTMINSTER Outstanding £m.	NATIONAL WESTMINSTER Change on month £m.	WILLIAMS & GLYN'S Outstanding £m.	WILLIAMS & GLYN'S Change on month £m.
LIABILITIES												
Total deposits	39,678	+203	10,558	+ 77	7,458	+ 91	7,838	+208	12,330	−157	1,494	− 16
ASSETS												
Cash and balances with Bank of England	1,109	+101	335	+ 31	206	+ 32	246	+ 18	297	+ 22	25	− 2
Market loans:												
U.K. banks and discount market	8,391	+171	1,914	+ 52	1,960	+142	1,492	+ 95	2,740	−107	285	− 11
Other	6,215	+147	1,430	− 19	1,341	+ 56	1,070	+ 94	2,078	− 2	296	+ 18
Bills	1,925	− 14	573	+ 3	390	− 84	455	+ 36	444	+ 32	63	− 1
Special deposits with Bank of England	667	—	203	—	107	− 1	133	—	203	—	21	+ 1
British Government stocks	1,840	+ 23	461	+ 26	453	− 1	351	+ 12	547	− 15	28	+ 1
Advances	20,091	−270	5,764	− 66	3,101	− 29	4,163	− 57	6,222	−102	841	− 16

TABLE 3. CREDIT CONTROL INFORMATION (Parent banks only)	TOTAL Outstanding £m.	TOTAL Change on month £m.	BARCLAYS Outstanding £m.	BARCLAYS Change on month £m.	LLOYDS Outstanding £m.	LLOYDS Change on month £m.	MIDLAND Outstanding £m.	MIDLAND Change on month £m.	NATIONAL WESTMINSTER Outstanding £m.	NATIONAL WESTMINSTER Change on month £m.	WILLIAMS & GLYN'S Outstanding £m.	WILLIAMS & GLYN'S Change on month £m.
Eligible liabilities	18,704	− 81	5,898	+ 37	2,844	− 9	4,037	− 1	5,275	− 82	630	− 26
Reserve assets	2,367	+ 24	792	+ 12	418	+ 20	558	− 17	713	+ 14	86	− 5
Reserve ratio (%)	13.7	+ 0.2	13.4	+ 0.1	14.7	+ 0.7	13.8	− 0.4	13.5	+ 0.5	13.6	− 0.3

Tindemans drops 1980 as EEC union date

By Reginald Dale, Common Market Correspondent

BRUSSELS, Jan. 6.

THE LONG-AWAITED Tindemans Report on European Union, to be published here to-morrow calls for a wide range of measures to strengthen EEC institutions, including the regular use of majority voting in the Council of Ministers.

But the report contains no major new vision of European integration, and many of its recommendations are largely procedural. The community's original ambitious target of economic, monetary and political union by 1980, now universally regarded as unrealistic, is tacitly abandoned.

The report, drawn up by Mr. Leo Tindemans, the Belgian Prime Minister, says that the Nine's thrice-yearly summits should be properly integrated into the Community framework and be given a central, directive role. They should set time limits for the adoption of their decisions by the Community's other organs. The present distinction between foreign policy co-operation and other Community business should be ended, and the presidency of the Council should last for one year.

The European Parliament should be given the right to initiate policies and the Council should agree to give proper consideration to its views. The Parliament's direct election will give it new political authority, but the real growth in its powers will only come into effect gradually.

The nine heads of government would nominate the president of the Commission, who would have to be confirmed by a vote in the European Parliament. He would then appoint his colleagues, in consultation with the national governments, taking the present system of sharing out portfolios between member countries into account.

Majority voting should become the regular practice in the Council of Ministers for all matters covered by the Rome Treaty. In areas where the Nine had agreed to introduce co-ordinated foreign policies, the opinion of the minority should yield to that of the majority, the report says.

The report says all nine countries should try to join the jointly floating currency "snake," from which Britain, Italy and Ireland are now absent, and pursue efforts towards economic and monetary union.

But some diplomats here are already interpreting the report as giving tacit support to the idea of a two-tier community in which the most dynamic countries would push ahead.

Common defence policies, including a joint armaments agency, must form part of a genuine union, which implies presenting a common front to the outside world in all essential areas of economic relations, as well as foreign and security policies, the report says.

Malcolm Rutherford writes: Mr. James Callaghan, the Foreign Secretary, will give the British Government's reaction to the Tindeman's Report in a major speech to the Uebersee Club in Hamburg on January 22. Mr. Callaghan will also be visiting Berlin on January 21 and will have talks with the West German Foreign Minister, Herr Hans-Dietrich Genscher.

Mr. Callaghan will probably be in Brussels for the meeting of the Council of Ministers on January 19-20 which should see the first joint discussions of Tindemans.

Britain 'will seek EEC job'

By Malcolm Rutherford

BRITAIN actively will seek the Presidency of the European Commission when it becomes vacant at the end of this year and has no intention whatsoever of renouncing its claims in favour of Ireland.

This became clear yesterday as the Foreign Office categorically denied a report in Tuesday's Financial Times quoting Irish diplomatic sources as saying that the British Government had indicated privately that it would not seek the post. The Government, in fact, appears to regard any possibility that the post should go to the Irish Foreign Minister, Dr. Garrett Fitzgerald, with horror.

The choice of the British candidate does not need to be made until the autumn.

Spanish Cabinet decides to stand firm over strike

BY ROGER MATTHEWS

MADRID, Jan. 6.

THE SPANISH Cabinet, called into emergency session this evening to deal with the strike that has paralysed Madrid's underground railway system, has threatened to use every means at its disposal to get the men back to work. This could include bringing the 4,300 strikers under military discipline.

Over 2,000 Metro workers have taken refuge in a church in the northern suburbs of the city with large squads of heavily-armed police standing by. Riot police charged demonstrators gathering near the church to-night and cleared the streets in the immediate vicinity.

The strike emphasises the mounting labour challenge to the Government of King Juan Carlos, both over the negotiation of new wage deals and the right to organise free trade unions.

Police used tear-gas late last night to break up a meeting of about 1,800 "Metro" workers who were attempting to discuss their pay grievances. At least three workers were injured in police baton charges.

The stoppage brought chaos late last night to Madrid, where department stores and many other shops were open until midnight on the eve of the Three Kings holiday, when Christmas presents are traditionally exchanged. As news of the police action spread more workers joined the strike until by this morning it had become total.

Because of the holiday Madrid was not critically affected to-day, but the Government urgently wants to end the strike by to-morrow. The last time "Metro" workers struck, more than five years ago, the Government broke the stoppage by threatening that all employees would be brought immediately under military jurisdiction.

Workers' delegations from Standard Electric, the ITT subsidiary also involved in strike action, arrived at the church this morning with cash donations. They were followed by men from the Chrysler plant, 300 of whom ended a three-day sit-in at a church in the south of Madrid this morning through which they had been trying to publicise their wage demands. *Hundreds* of people gathered around the church this afternoon to pass in food.

The Minister of the Interior, Sr. Fraga Iribarne, is following developments closely, and the Minister of Labour, Sr. Jose Solis, was recalled from holiday in the south of Spain to attend this evening's Cabinet meeting.

The Roman Catholic Church hierarchy is tacitly backing the workers' demands, and the auxiliary Bishop of Madrid yesterday went to visit the Chrysler men during their church sit-in. Two other priests remained with the workers throughout and praised their attitude when the demonstration ended. In addition to improved wages, the Chrysler workers are demanding that the company should lift the sanctions it imposed against workers who earlier participated in strike action.

Thousands of Standard Electric workers also staged four-hour stoppages in several plants yesterday and plan to continue their two-week... unless their demands are met.

Illegal workers' organisations have been particularly angered by the continued ceiling on permitted wage increases and by a recent speech by the Finance Minister in which he argued that much of Spain's current economic problems stemmed from excessive pay increases.

Industrial action is also being threatened at the country's main steel-making plants controlled by Ensidesa where workers are demanding that men sacked in the past few years for participating in strikes should be reinstated. Left-wing political groups see such demands running parallel to the growing movement for a full political amnesty to mark the end of General Franco's dictatorship.

However, Prime Minister Carlos Arias has insisted in an interview with a U.S. magazine that such an amnesty will only come when the country's left-wing groups have shown responsibility and moderation by participating in the Government's plans for a more democratic society. Sr. Arias said he foresaw five political parties being allowed to operate legally by the end of 1977 but again specifically ruled out the Communists.

He also heightened doubts about the possibility of a new U.S. bases agreement being signed...

Portugal parties reach accord on land reform

BY PAUL ELLMAN

LISBON, Jan. 6.

PORTUGUESE political parties to-day announced that they had patched up their differences over the vexed question of agrarian reform which has bedevilled attempts to remodel the sixth provisional Government.

The agreement emerged following discussions involving the leaders of the parties represented in the Government—the Socialists, Popular Democrats and Communists—along with the Prime Minister, Admiral Pinheiro de Azevedo, and President Costa Gomes.

The compromise basically confirms the pattern established by the progress of the agrarian reform programme so far in that no further land seizures will take place north of the river Tagus, the heartland of farmers' protests against the Government.

The area to the north of the river consists overwhelmingly of small- and medium-sized holdings which will escape the minimum of 30 hectares established under the accord as the criterion for expropriation.

South of the Tagus, mainly the Alentejo region, has been the scene of most land grabs so far, largely because it is the only part of Portugal where latifundias exist, a reflection of the landholding pattern established with the Moorish conquests.

Although the parties have gone a considerable way towards meeting farmers' grievances, it is by no means certain that the compromise, along with a pledge by the Government to look into the whole question of land occupations, will be sufficient to quell discontent among farmers who have called a mass demonstration in the conservative northern city of Braga for this week-end.

The farmers' rally comes as the Government finds itself confronted with its first major challenge from the Left since the crushing of the November 25 uprising. Thirteen unions associated with the Communist Party and its allies have called a mass demonstration in Lisbon for January 17 to protest against the austerity measures—including a wage-freeze, higher taxes and sharply increased prices—which Admiral Pinheiro de Azevedo's Government has introduced in recent weeks.

Gentscher stands by SPD

BY ADRIAN DICKS

BONN, Jan. 6.

HERR Hans-Dietrich Genscher, leader of the junior Free Democratic (FDP) faction of the ruling West German coalition, stated unequivocally to-day that he wants to maintain his party's partnership with the Social Democrats (SPD) after this year's Parliamentary elections.

In a speech to FDP officials in Stuttgart Herr Genscher also strongly attacked the opposition Christian Democrats in terms that would seem to rule out any possibility that the FDP might form a coalition with them.

The FDP leader, who serves as the present Government's Foreign Minister, reserved his sternest remarks for the Christian Democrats' foreign policies. Accusing them of favouring an approach that would have led West Germany into "isolation," he thus made clear that the coalition will regard its continuing faith in detente with Eastern Europe as a major plank in this year's campaign platform.

However, the FDP leader also felt it necessary to reemphasise the differences between his party and the SPD and to pledge that the FDP would not *refrain from* campaigning against its larger partner.

U.K. gets most training cash

BY DAVID CURRY

BRUSSELS, Jan. 6.

THE BRUSSELS Commission's Social Fund last year committed around 372m. units of account (about £155m.) for retraining workers in member states. The total included around 43m. u.a. in aid for people under 25 years of age, particularly those seeking their first job.

Of the total committed last year, roughly one-third was devoted to meeting half the cost of retraining special categories of people, including workers leaving the farms or the textile industry, migrant workers, handicapped workers and the young jobless. The remainder went essentially to regions where workers were threatened with unemployment or requiring to upgrade their skills.

Britain and Italy have been the major beneficiaries of the fund. In 1975 the U.K. took some 29.4 per cent. of commitments and Italy 27.2 per cent.

Italy coalition fall awaited

ITALY'S 33rd post-war government appears to be about to fall. Barring a last-minute compromise, the leadership of the Socialist Party will announce after a meeting this morning withdrawal of support in Parliament from the minority coalition of Prime Minister Aldo Moro. Sig. Moro's instinct is to try for some compromise with the Socialists to avoid an immediate appeal to the electorate in which the Communists might emerge strongest, but observers are forecasting a long political crisis, Dominick J. Coyle reports.

Norway moves into oil products market

PLANS TO set up a Norwegian State oil products marketing company through a Kr.880m. State takeover of several existing firms are expected to be approved by a one-vote majority in the Storting (Parliament) to-day, in spite of the opposition of all the non-Socialist parties, Fay Gjester writes from Oslo.

The companies involved in the proposed takeover are Norsk Braendselolje (50 per cent. owned by BP), a small Swedish-Norwegian co-operative company and the oil products marketing division of Norsk Hydro. Opposition speakers criticised the fact that the Government had negotiated the takeover deal with BP without consulting the Storting.

Dutch recession 'bottoms out'

THE DUTCH Central Bank says in its quarterly report that provisional figures over October and November, 1975, suggested that the domestic economic decline has apparently come to an end, Michael Van Os writes. The results of so-called cyclical tests in industry over the past few months indicated improved economic prospects, partly based on the flow of incoming orders notably for export. The total registered number of unemployed had reached 222,500 (5.4 per cent.) at the end of November.

Belgium drops wage control proposals

THE Belgian Government's anti-crisis measures are now ready for presentation to Parliament, David Curry reports from Brussels. In their final form they are only a shadow of what was originally proposed in the autumn, being almost entirely shorn of their incomes policy content.

The freeze on dividends for 1976 remains, with pay-outs held to the average of 1972-74 levels.

Grim mood in Iceland as 'cod truce' ends

BY JON H. MAGNUSSON

REYKJAVIK, JAN. 6.

THE UNOFFICIAL Christmas truce on the disputed Icelandic fishing grounds is over after the latest trawl cutting incident, last Saturday night, when the patrol ship Aegir cut the wires of two Grimsby trawlers.

The number of British trawlers appears to be on the upswing again. About 40 trawlers have been counted inside the fishing zone, which is a very large number for this time of the year. Since this happens a few weeks after Mr. James Callaghan, the British Foreign Secretary, said that the Labour Government was willing to resume negotiation "any time, any place, at any level," Icelandic Cabinet Ministers claim to be somewhat puzzled.

The British Cabinet has been very quiet in this matter and the view among Icelandic politicians is that the Labour Government missed a very good opportunity during the Christmas season to prove that it truly wants to negotiate a settlement. Iceland's position remains that Britain should tell the trawlermen to stop fishing for a while and withdraw the Royal Navy protection fleet outside the 200-mile zone as a show of goodwill. Such a gesture, it is argued, would have given the Icelandic coalition Government a welcome breathing space to re-evaluate the present situation, and the Icelanders an opportunity to cool already hot tempers. The outlook now for an early settlement of the "cod war" is grim and the mood here pessimistic.

Mr. Geir Hallgrimsson, the Icelandic Prime Minister, talked tough politics in his annual New Year TV and radio message to the Icelandic people. "There has been an exchange of messages between me and the British Prime Minister, Mr. Harold Wilson. In my letter I told him that the continued unlawful fishing by British trawlers under protection of the Royal Navy and ramming of Icelandic coastguard vessels might lead to a loss of human lives, and it will damage seriously and permanently the relations between Iceland and Britain," said Mr. Hallgrimsson.

He emphasised that the Labour Government must take into consideration the need for the conservation principles and the vital interests of the Icelandic nation, which depends on fishing for 80 per cent. of its export earnings.

"We do not anticipate an early solution of the dispute with the British," said the Prime Minister.

Mr. Hallgrimsson also wrote a year end message in the Government's leading newspaper, Morgunbladid, where he admits the need for Iceland to make fishing agreements with foreign Governments because that was the only way to control the total catch inside the 200 mile zone.

Mr. Olafur Johannesson, leader of the Coalition's Progressive Party, Minister of Justice and responsible for Iceland's coast guard service, is equally tough in the party's newspaper Timinn. "The British Government has been isolated in this dispute," says Mr. Johannesson, and it does "not have either legal or moral right" in this matter. He urges the Icelandic people "to continue to fight the British by all means possible" and points out that the Icelandic Government "has so far used careful tactics, but will now utilise tougher methods."

Emphasising the pressures on Iceland's Government, a high ranking MP in the Government's Independence Party told the Financial Times: "No politician in his right mind will mention or support resumed negotiations now. The situation is very delicate."

The next step must be taken by the Labour Government, political sources in Iceland say, which must "offer a realistic proposal" as well as elevate the negotiation to Prime Minister level.

Time is running short in the dispute for two reasons: the Icelandic winter fishing season is beginning in a few days, and the UN Law of the Sea conference reconvenes in New York in early March.

هكذا صدر الأصل

HOME NEWS

U.K. car production falls to 12-year low at 1.26m.

r TERRY DODSWORTH

ISH CAR production fell to west level since 1962 last when it recorded a drop of r cent. on 1974.

ong the prime causes for ecline were the severe crises itish Leyland and Chrysler have continually disrupted t. The long strike at Ford e spring and the low level mand in most markets also their toll.

istrations, although declin- s well, have not dropped by ich, falling back to a level ed in 1970. The dispropor- e fall in British output lines the inroads made by ters in the British market the past 12 months.

cue scheme

figures, issued yesterday e Department of Industry, that car production reached 1.26m., well in line with try predictions and down a total of 1.53m. in 1974. trations were provisionally ated at 1.17m., as against the year before.

e detailed figures, giving performance of individual facturers, are expected later eek.

put was particularly hard-hit in the latter half of last year, when the industry is traditionally less buoyant. The chances of a recovery this year, which should come in the first half, are clouded by the switches of production which Chrysler intends to make in its car production as part of the rescue scheme recently agreed on with the Government.

The movement of the Avenger production lines to Linwood, combined with the car's restyling, and the introduction of the Alpine to Ryton, Coventry, could all result in some loss of output. The launch of the new Avenger in August will be preceded by the phasing out of the Imp. The Hunter is also expected to go, under the development plan.

The car industry is nevertheless tentatively expecting some production improvement this year, partly in the hope of a better strike record and partly in the expectation of an upturn in world markets.

On the registration side, the Society of Motor Manufacturers and Traders is expecting a lower market of about 1.1m. in 1976. It is predicting an increase in fleet sales at the expense of the private motorist—a movement which should theoretically help the British manufacturers.

One complication here is that there will be new imports from the Continent from two of the U.S. multi-nationals, Chrysler (with the Alpine) and Vauxhall (with the Cavalier), which will reduce the British-produced share.

Although the commercial vehicle industry has been one of the brighter aspects of the motor industry this year, lifting exports strongly, output has fallen considerably here too.

At 379,000 units, the industry recorded its lowest production level since 1959, when 370,000 commercial vehicles were produced.

U.K. MOTOR VEHICLE PRODUCTION

Year	Cars	Commercial Vehicles
1962	1,249,426	425,104
1963	1,607,939	403,781
1964	1,867,640	464,736
1965	1,772,045	455,216
1966	1,603,679	438,675
1967	1,552,013	385,106
1968	1,815,936	409,186
1969	1,717,073	465,720
1970	1,640,966	457,532
1971	1,741,940	456,206
1972	1,921,311	408,119
1973	1,747,321	416,623
1974	1,534,119	402,566
1975	1,264,000	379,300

Thorn plant closure will add £30m. to TV tube imports

BY LORNE BARLING

UP TO 75 per cent. of all colour television tubes used in U.K. sets manufactured this year are likely to be imported, at a cost of around £30m., as a result of the closure of the Thorn Electrical tube factory at Skelmersdale, Lancashire.

Although Mullard, the U.K.'s only other colour tube producer, would like to boost its low production level by supplying tubes to Thorn, this could only be achieved on a very limited scale due to technical differences.

Thorn will therefore be almost wholly reliant on imported tubes from the Radio Corporation of America in the U.S. and from Japan, whose exports to Britain are largely responsible for the closure of the Skelmersdale factory with the loss of 1,370 jobs.

Re-engineered

Mullard—owned by Philips—estimated yesterday that it is likely to manufacture up to 600,000 tubes this year, of which about 35 per cent. would be exported. This would mean that domestic demand (predicted at about 1.3m.) would be met by up to 900,000 imported tubes.

At an average cost of £34 a tube, imports would total more than £30m. Japan, which last year held about 50 per cent. of the market, is likely to benefit considerably due to its clear price advantage.

However, Mullard pointed out that should Thorn choose to re-engineer their 20-inch range of sets so that narrow-necked Mullard tubes could be used instead of RCA technology, it would hope to gain a large proportion of the volume. If this work was started immediately it could be completed by the end of 1977.

Mullard said last night after a meeting of executives to discuss the implications of the Thorn closure: "We hope there will be long-term sales opportunities, but you don't take another company's business overnight."

Thorn's decision to close its Skelmersdale plant followed losses of more than £4.6m. on colour tube production in the last financial year. Worse was predicted for this year.

Mullard, itself losing money, is likely to benefit only marginally from the closure in the short term.

Mr. David Warbiton, an official of the General and Municipal Workers' Union yesterday condemned the closure as "a national disgrace," accusing the Government of mishandling the issue.

Workers at a mass meeting at Skelmersdale yesterday gave full approval to their shop stewards to fight the closure.

Modest rise in housing starts likely

By Michael Cassell, Building Correspondent

A MODEST improvement in private house building is expected this year, according to a survey published yesterday by the Department of the Environment.

Returns by house builders in November suggest that they are expecting to start about 160,000 private sector homes this year.

Final figures for last year are not complete, but it seems likely that total starts in the private housing sector reached about 140,000—a low figure but considerably more encouraging than the 1974 total of 105,000.

Last time the Department conducted its survey among builders—in July—the industry said it expected to start about 145,000 homes this year, so there is some prospect of improvement.

There is no doubt that the more buoyant housing market and the hardening of prices, with some significant increases recorded at the lower end of the market, have given some builders the confidence to step up programmes. The continuing supply of mortgage money has also removed a few worries concerning potential customers.

Equally, builders are still facing a situation in which very high construction costs cannot, in many cases, be recouped in sale prices. The position from this point of view is improving but a bigger increase in prices will be needed if a substantial rise is to be brought about in new housing.

Building directors accused of plot over 'lump' wages

FINANCIAL TIMES REPORTER

SENIOR MEMBERS of J. Murphy and Sons, a North London company, took part in a plot to cheat the Inland Revenue over a wage bill of nearly £5m. for "lump" workers in the construction industry, an Old Bailey jury was told yesterday.

The Inland Revenue lost £1,468,350 as a result of their "utterly bogus" scheme, the prosecution alleged.

Nine men and two companies denied conspiring between 1972 and 1974 to defraud the Inland Revenue by false representation over payments to workers, many of them from Ireland, engaged on construction sites throughout Britain.

Executive members of J. Murphy and Sons, accused in the case, are Mr. Michael Holly, managing director, of Chaseside, Southgate; Mr. F. Felix McCarthy, company secretary, of Leicester Road, New Barnet; Mr. James Stapleton, financial director, of Oaklands, Winchmore Hill.

Other defendants are Mr. Thomas J. Clancy, company director, of Hay Lane, Cricklewood; Mr. Patrick J. Enright, contracts manager, of Brooklands Close, Luton; Mr. Thomas Enright, foreman, of Elton Avenue, Sudbury; Mr. Timothy M. Slattery, contracts manager, of Milton Avenue, Highgate; Mr. Martin Dooley, wages manager, of Kingshill Avenue, Kenton; and Mr. Frederick J. Chute, labourer, of Church Street, Listowel, Eire.

Two companies, J. Murphy and Sons, and J. M. Piling, both of Highbury House, Highbury Corner, Islington, are also defendants in the case, which is expected to last several weeks.

Exemptions

Mr. John Leonard, QC, for the Inland Revenue, said that when regulations were introduced in April, 1973, to ensure proper tax deductions in the construction industry, there were still various permissible exemptions.

The two companies took advantage of these exemptions, he alleged, by paying wages to their labour force through the medium of other companies dressed up with a cloak of legality. The system was clearly a tax evasion scheme.

Employees were often given the option of paying tax weekly through PAYE, or of using these companies for their wages. Benefits accrued to both the workers and the companies, which had the chance to pay their men below the market rate, as they were getting their wages without tax deductions.

The hearing was adjourned until to-day.

Chrysler outlines financing deal

SLER'S senior executives roit yesterday outlined de- f the new financing agree- worked out between the Government and Chrys- subsidiary, writes Jay r from New York.

deal, which was worked ver the past two weeks, ises outright grants to expected losses, together oth medium- and long-term

Paul Heinen, Chrysler Cor- on's vice-president and l counsel, said that the ny's U.K. subsidiary would e the sterling equivalent of 1. as the first 1976 instal- to cover losses.

payments would total 1. by the end of the first r of this year and rise to 1. by the end of the third r.

British Government had to pay half of any further up to $40.7m. more this But the final payment for ar would await an audit of nual figures.

rring to the British ment's four-year loan to mpany of $111.8m., Mr. said that Chrysler would oughly the equivalent of er cent. interest up to after which the interest vould rise a further one percentage points. The actual amount levied in interest would depend on when funds were drawn.

Chrysler could repay these borrowings at par any time. It must draw all the money it required by 1980 and it would make repayments in 10 equal semi-annual instalments after the end of 1985.

The seven-year medium-term loan of $71.1m. must be drawn by the British subsidiary within the next 30 days and is designed to refinance the company's massive short-term debt load. Interest on the borrowings will be at about two percentage points over the London inter-bank rate.

Workers plan fight, Page 9

Council shops move fails

BIRMINGHAM City Council was prevented last night from seeking powers to go into retail trading.

Liberal councillors joined forces with the Conservatives to vote against all clauses on municipal trading in a proposed Bill to be put before Parliament seeking wider powers for Birmingham.

ITRACTS

abcock-Moxey wins 9.75m. BSC order

COCK-MOXEY Gloucester eceived an order worth . from the British Steel ation—said to be one of rgest mechanical handling :ts to be awarded in Giant bucket wheel reclaimer machines and 5½ miles of conveyers will plied for jetty stockyards new BSC Hunterston ore oal terminal. The two ly constructed machines capable of moving almost nes of iron ore per minute.

★

U.K. Atomic Energy ity has signed a contract INTERNATIONAL COM- S for the rental of two Series systems which r have a value of £5m. il fulfil the prime comput- uirements of eight UKAEA itish Nuclear Fuels Estab- its via a nationwide net-

★

D KINGDOM CONSTRUC- AND ENGINEERING CO., the WGI Group, has won orders worth more than for drilling mud process on two North Sea oil plat- Placed by the oilfield s division of Dresser SA, they cover the ring, design, procurement, cture and installation of nt on the Beryl A plat- f Mobil (U.K.) and the d Platform of Mobil y).

★

OTNEY, Hull, has secured ract worth more than from Allied Mills Group manufacture of 48 silos ociated steelwork for the lling of a mill at Tewkes- Work has already started ompletion is scheduled four months.

★

E ELLISON, Birmingham, n an order worth £80,000 ne strip mill division of tish Steel Corporation to cture, supply and erect five lt electrical distribution oards for the new coating at its Shotton Works on Clwyd.

★

L AND GOLTERMANN has received an order 81,000 for telecommunica- vel measuring equipment e Post Office. This con- f signal generators and d/selective level meters, together form complete easuring sets.

★

ULEY AND CO., Bradford: n an order worth more 00,000 for the main and cabling work, together instrumentation installa- production modules for rmorant and Dunlin oil- the North Sea.

★

TE, Warminster, Wilts., has won a contract for the supply of systems and software to offices within the Northcliffe Newspapers Group. Initially systems at each of seven offices will handle the typesetting, composition, and management of classified advertising for its regional evening and weekly papers. All seven systems will be based on Digital Equipment Corporation PDP/8E computers with 16K of core and two disc storage units providing semi-permanent storage of about 160,000 lines of newspaper setting. Five of the offices will use Photon photosetters and two will use VideoSetter Mark IV's. Once copy has been keyed into the system, correction facilities are available either on-line through visual display units or off-line through a Logabax line printer.

★

SALEM ENGINEERING, Milford, Derby, has received a contract worth about £300,000 from the British Steel Corporation. The order is for two tension level sections which are to be installed in the colourcoat and Zintec lines currently under manufacture at BSC's Shotton Works, Deeside, Clwyd.

★

A. MONK AND CO., Warrington, has received contracts totalling £6.4m. from the Department of the Environment. The largest, at £4.8m., is for the construction of six kilometres of the M18 motorway, Rotherham to Goole, known as the Armthorpe to Hatfield section. The second order, worth £1.6m., is for 3.6 km of two-lane dual carriageway as part of an overall improvement scheme for the existing A45 between the Bury St. Edmunds and Stowmarket by-passes.

Euromarkets conference

A conference on Euromarkets in 1976 will be held at the Royal Lancaster Hotel, London, on February 4 and 5, to discuss developments in the international capital markets.

Speakers will include Mr. C. W. McMahon, executive director, Bank of England, Mr. Guido Hanselmann, general manager, Union Bank of Switzerland, Zurich, and Mr. Frederick E. Schwartz, vice-president, Bankers Trust Company, New York.

The conference is being arranged by the Financial Times and the Investors Chronicle.

SIR DALLAS BERNARD

A memorial service is to be held at noon on Tuesday, January 13, at St. Michael's Church, Cornhill, for the late Sir Dallas Bernard, deputy governor of the Bank of England from 1949 to 1954.

HOME NEWS

MPs to make full-scale probe into Steel Corporation

BY JOHN HUNT

THE BRITISH STEEL Corporation, which is in conflict with the unions over its proposals to shed 44,000 jobs to reduce its huge financial losses, is to be the subject of a full-scale investigation by an all-party committee of MPs.

A short initial inquiry lasting only two hours will be carried out by the Energy Industries and Steel Sub-committee of the Select Committee on Nationalised Industries next Wednesday—two days after Parliament resumes after the Christmas recess.

This will deal only with a scrutiny of the Corporation's latest report and accounts, and is in line with the Select Committee's new policy of carrying out brief "bushfire" inquiries, followed by full investigation where necessary.

Sir Monty Finniston, chairman of BSC, has been invited to attend.

In about four weeks, there will follow a full investigation by the Sub-committee, expected to last for several months. Leading figures from the industry, unions and Government will attend headed by Sir Monty Finniston, Mr. Bill Sirs, general secretary of the Iron and Steel Trades Federation, and Mr. Eric Varley, the Industry Secretary.

£8.4m. LOSS

£8.4m. loss

The inquiry is officially centred on BSC and technological change, but the terms of reference are wide enough to allow full discussion of the troubled background of the Corporation.

MPs on the Sub-committee have every intention of giving detailed scrutiny to every aspect of BSC's problems.

These will include the financial losses, now running at £8.4m. a week, the heavy redundancies envisaged, the Corporation's proposal to suspend the guaranteed working week, and allegations of heavy overmanning in the industry.

Seven MPs are on the Sub-committee—four Labour and three Conservative. Two of the Labour MPs, Mr. Russell Kerr and Mr. Neil Kinnock, are prominent members of the Left-wing Tribune group. Mr. Kerr is also chairman of the Select Committee on Nationalised Industries.

Chairman of the Sub-committee is Mr. Edwin Wainwright, a middle-of-the-road miners' MP, who is secretary of the Parliamentary Labour Party's trade union group.

In addition to the BSC investigation, the various Sub-committees of the Select Committee will carry out a very wide range of short inquiries in the coming session.

Prominent among these will be an investigation into the Bank of England by the Sub-committee which has responsibility for a miscellaneous range of nationalised industries. It is intended to examine the situation at the Bank and, in effect, will be a short updating of the full-scale inquiry carried out in 1969 and 1970.

Sir Donald Kaberry, Conservative MP for Leeds NW, a solicitor and company director, is chairman of this Sub-committee. It will also look at the Horserace Totalisator Board and the National Water Council.

The Energy Industries and Steel Sub-committee will be conducting short inquiries into the National Coal Board, the Electricity Council and the British Gas Corporation.

Wide area

The Transport Industries Sub-committee will be looking at the British Transport Docks Board, the National Freight Corporation, and the Scottish Transport Group.

Most of these inquiries will last only a few hours and will deal primarily with the latest reports and accounts of the various undertakings. By this means, the sub-committee can cover a wide area and initiate longer inquiries should members feel that these are called for.

This method was adopted because it was felt that some nationalised industries were escaping Parliamentary scrutiny for long periods.

Formula for civil war, says Powell

By John Hunt

PROPOSALS for power-sharing with the Roman Catholic minority in Ulster were strongly condemned last night by Mr. Enoch Powell, who said if such a scheme was imposed on the Province, it would lead to full-scale civil war and "a resort to force on an unprecedented scale."

Mr. Powell, United Ulster Unionist Coalition MP for South Down, who on Monday returned to the subject of coloured immigration, last night concentrated on Northern Ireland and devolution.

He told local Young Conservatives in Brighton, that the Government was saying Northern Ireland could have Parliamentary self-rule only on condition that the minority was given a guaranteed right to be part of the executive. Power-sharing was the sloganised term for this.

Signal

Such a right, which would automatically give the whip-hand to the minority, would not be contemplated for an instant in any other context.

To confer this on Northern Ireland was to give notice that the U.K. did not intend to honour the right of the majority in Ulster to remain part of the nation.

"Such an attempt is bound to be the signal for resort to force on an unprecedented scale simply because it represents the deliberate discarding of the ballot box as a means of deciding political issues.

"It would be welcomed with open arms by the IRA, who are determined that if the minority is to prevail over the majority in Northern Ireland, it shall happen on their terms and by their methods. It would be the tocsin for a civil war which the U.K. would have instituted on its own soil."

The people of Northern Ireland were appealing to Parliament to be governed in the same way as the rest of the nation. The majority in the Province was determined to remain part of the nation.

Devolution

On devolution, he said there were "still enough of us left who will oppose and defeat the attempted destruction of our nation by this means."

The debate on devolution, which takes place in the Parliamentary session beginning next week, will be about whether the U.K. is fit to survive, he said.

Loss of pride, hope and faith in the U.K. were destroying the nation.

When there was no longer a nation worth belonging to, then the various parts would find no reason to belong. The denial of the existence of the U.K. as a nation was a denial of Parliament.

"In a nutshell, legislative devolution means either independence or federation," he said.

Americans who give to IRA funds attacked by Orme

BY JAY PALMER

NEW YORK, Jan. 6.

A BITTER ATTACK on Americans who, directly or indirectly, finance IRA terrorists was launched here to-day by Mr. Stan Orme, Minister of State at the Northern Ireland Office.

He said during his six-day drive to persuade U.S. companies to increase their investment in Northern Ireland that there was "inescapable evidence" that Irish terrorists received monetary support from the United States.

More than 80 per cent. of the guns confiscated by the Northern Ireland security forces were of American origin.

Mr. Orme arrived in Chicago yesterday and will go on to Washington and Dallas, Texas.

"I am trying to persuade Americans to invest in jobs, not guns," he said.

Referring to the murder of ten men in Northern Ireland last night, Mr. Orme said that the killings were "a grave deterrent to American and other investment. The murderers destroyed peace, endanger political stability and are seeking to turn Northern Ireland into an economic desert."

The killings did not make his job easier, but his visit so far had been "very successful." At least one company would increase its financial commitment in Northern Ireland.

Referring to recent American reports about a New York organisation raising money for terrorists to buy weapons, he said that there was "abuse of funds."

The British Government recognised that "there are Irish Americans who feel strong emotional links with Northern Ireland, and contribute funds in the mistaken belief that they are providing non-military aid. There is evidence that a large proportion of these funds goes to purchase guns and explosives."

Mr. Orme said that the British security forces had received "first class co-operation" from the U.S. Government on stopping the arms traffic, but refused to comment on proposals that the collection of funds in New York for the IRA should be made illegal.

"If the supply of money and arms from America to Northern Ireland is reduced, capability for violence will also be reduced," he said.

Mrs. Barbara Castle, Social Services Secretary, leaves Heathrow airport yesterday for a 10-day tour of Saudi Arabia, Kuwait and Iran. She is to launch a drive to sell British hospital designs and equipment.

More ships built by Belfast yard

By Our Shipping Correspondent

HARLAND & WOLFF, the Belfast shipbuilders whose immediate future has been in doubt by a poor productivity performance, last year delivered the highest total of diesel and steam turbine machinery since 1971.

Altogether, the Government-owned company completed sets of turbine machinery aggregating 180,000 b.h.p. At the same time, Harland last year launched or floated out its second highest-ever total of deadweight vessel tonnage, comprising a 318,000 dwt very large crude carrier and a 118,000 dwt bulk carrier.

These figures have been released shortly after the company's claim that productivity is now showing some signs of meeting the demand for better output by Mr. Stanley Orme, Northern Ireland Minister. Mr. Orme warned last October that the yard's future could be in jeopardy unless performance improved.

Despite its achievements last year, Harland's future remains uncertain because of the continuing dearth of world shipbuilding orders, particularly for oil tankers—the Belfast company's speciality.

Its order book will provide work for the 10,000-strong labour force up to 1978, but many jobs may disappear before then unless new customers are found within the next 12 months.

International backing for inflation accounting

By Michael Blanden

INFLATION accounting is to be imposed on companies at an international level, as a result of the latest move by the joint accountancy bodies. The timing and details of the move, however, are left open in a draft published by the International Accounting Standards Committee.

The controversy over the methods of inflation accounting has been avoided by the committee by allowing any method to be adopted. The draft standard, the sixth to be published by the international committee, requires simply the provision of information that represents "a systematic response to specific price changes or to changes in the general level of prices, or both."

This leaves it open for companies to use a current cost accounting system such as has been proposed by the Sandilands committee and is being examined in detail now by the steering group set up by the U.K. accounting profession.

Achievement

Alternatively, companies could use a general purchasing power system, as was originally put forward by the U.K. profession. They may also use a combination of both methods—as suggested by the U.K. profession in response to Sandilands—in order to reflect the impact of general purchasing power movements on monetary assets and liabilities as well as specific changes in the prices of assets.

With nine different nations participating in the international committee, it is regarded as a considerable achievement to have reached even agreement in principle on the contentious subject of inflation accounting.

Recognising the problems and the need to ensure that a realistic timetable should be set, the committee has left it to the national accounting bodies to suggest a date for the requirements to become effective.

In the U.K. the steering group aims to finish its work in time for an inflation accounting standard to apply to company accounts for all periods beginning after December 24, 1977, though there are doubts over this timetable.

Tories to keep options open on devolution

By John Bourne, Lobby Editor

MRS. MARGARET THATCHER and her "shadow" Cabinet decided at a two-hour meeting last night to keep their options open during the coming four-day Commons debate on Scottish and Welsh devolution—an issue which is dividing the Conservative Party even more deeply than the other main parties.

No Government motion for the final day of the debate has yet been tabled, so the "shadow" Cabinet agreed that it could not yet propose an amendment. Attempts may be made to make it do so, however, when it meets again next Wednesday.

More orders for Airbus

By Michael Donne, Aerospace Correspondent

THE EUROPEAN Airbus project, in which Hawker Siddeley has a major stake, has begun the New Year with orders for five more aircraft, raising the total on order to 32.

Air Inter, the French domestic airline, has ordered three, while Air France has raised its order from seven to nine.

Moodies closes because of rise in costs

Financial Times Reporter

MOODIES SERVICES, a subsidiary of Dun and Bradstreet of the U.S., said yesterday that it had ceased trading. The company, which supplied financial information in the U.K. and provided a card service on company accounts, said that the economic environment and the stock market decline had reduced the market size and its market share dramatically while costs had continued to rise. No balanced projection into 1976 or beyond showed any hope of stemming the resultant escalating losses.

See Men and Matters, Page 12

SNOW REPORTS

	Depth (cms.) L	U	State of Piste	Weather	°C
Andermatt — Good snow above 2,200 metres	20	70	Fair	Cloud	0
Arosa — Icy patches on lower slopes	60	80	Fair	Snow	—3
Champery — Worn patches on lower slopes	5	45	Poor	Fine	0
Flims — Strong wind on slopes	10	30	Fair	Snow	2
Isis — Slushy on lower slopes	10	20	Poor	Rain	4
Isola 2000 — Good snow on hard base	100	120	Good	Fine	3
Klosters — Visibility bad on upper slopes	25	40	Fair	Snow	3
St. Anton — Strong winds, lifts closed	10	120	Good	Snow	2
Tignes — Lower slopes worn	20	70	Fair	Fine	0
Verbier — More snow needed	8	60	Poor	Cloud	0

The above reports are supplied by the Ski Club of Great Britain. L refers to lower slopes and U to upper slopes. The following reports are from other sources—

SWITZERLAND

	L	U	State of Piste	Weather	°C
Chateau d'Oex	10	40	Hard	Sunny	—5
Davos	40	85	New Snow	Cloud	—3
Grindelwald	10	60	Good	Cloud	—3
Lenk	15	40	Good	Fair	—3
Les Diablerets	10	40	Hard	Cloud	—8
Pontresina	30	60	Good	Sunny	—6
St. Moritz	40	65	Pwdr.	Sunny	—6
Zermatt	40	80	Good	Fair	—3

SCOTLAND

Cairngorms—Main runs: a few complete but narrow, all others broken. Wet snow. Lower slopes: limited nursery areas, wet snow. Vertical runs 700 feet. Access roads clear. Snow level 2,000 feet.

Glenshee—Main runs: a few complete but narrow, all others broken. Wet snow. Lower slopes: ample nursery areas. Vertical runs 1,000 feet. Access roads clear. Snow level 2,000 feet.

Glencoe—No snow.

Forecast—Colder and bright with a few snow showers. Wind S.W. to W., fresh.

College of Physicians backs fluoridation

BY DAVID FISHLOCK, SCIENCE EDITOR

LEADING U.K. doctors have rejected allegations that the addition of fluoride to drinking water supplies can cause many medical disorders, ranging in seriousness from cancer to lethargy.

The Royal College of Physicians says in a report published yesterday that, for the sake of the nation's teeth, drinking water supplies should contain 1 milligram per litre of fluoride.

The doctors have been unable to substantiate any evidence offered that such a fluoride level would be harmful in any way.

The report, believed by the Royal College of Physicians to be the most authoritative study of fluoridation yet undertaken, was prepared by a committee of 15 doctors and medical scientists headed by Sir Cyril Clarke, president of the college.

It also included Sir Richard Doll, regius professor of medicine at the University of Oxford, who has been responsible for major statistical studies associating cigarette smoking and lung cancer, and contraceptive pills and thrombosis.

The report's four conclusions are that fluoride in drinking water substantially reduces dental caries throughout the lifetime of anyone drinking the water; that a 1 mgm. a litre level is safe irrespective of the hardness of the water; that alternative methods of taking fluoride (such as tablets) are less effective; and that fluoridation does not harm the environment.

The Royal College of Physicians reinforced its committee's conclusions by adding the recommendation that, where drinking water supplies were naturally at levels lower than 1 mgm. a litre, the fluoride content should be increased to this level.

The study was proposed by U.K. dentists, who have long advocated fluoridation, and who suggested three years ago that the Royal College of Physicians should produce an independent scientific appraisal of the evidence for and against the water treatment.

Welcoming the report, the Fluoridation Society said yesterday that it could mark a significant stage in its long struggle to persuade local Government and the public to avail themselves of "a highly valuable and totally safe health measure."

The National Anti-Fluoridation Campaign accused the college of employing "specious reasoning" and suggested that "it might be better for everyone if the college stuck to physics and kept out of politics."

£20m. storm damage pay out estimated

BY ERIC SHORT

THE COST of repairing the damage caused by the week-end storms, which left a trail of devastation along the East Coast, is likely to be lower than early estimates suggested.

The British Insurance Association said yesterday that the cost to U.K. insurers would be about £20m., less than the cost of the Flixborough explosion, but nearly double that of the 1968 floods.

The news was well received on the Stock Market where share prices of composites recovered 2p or 3p after Monday's wide-spread falls.

Mr. E. F. Bigland, chairman of the BIA, attacked reports on Monday that insurance companies were likely to take a strong line over claims. He said that they were exaggerated and did not reflect the position of insurance companies which would deal with claims quickly and fairly.

Under-insurance was a serious national problem arising mainly from inflation, but he felt sure that insurance companies would do everything possible to ensure that failure to keep sums-insured up-to-date would not bear harshly on private policyholders in the aftermath of the storms, except possibly for the most blatant cases.

All policyholders should learn from the lesson of the storm and look closely at their policies and, if necessary, bring their cover up-to-date.

CASTLE FOR TRUST

The National Trust has acquired Dunster Castle near Minehead in Somerset and its 30 acres of parkland. Last summer the castle had 84,665 visitors. It belonged to Lt.-Col. Walter Luttrell.

APPOINTMENTS

LABOUR NEWS

...ondon ...ockers ...in ...6 rise

OUR LABOUR STAFF

...RISES of £6 a week, the ...um permitted by Govern... ...policy, have been accepted ...otiators for 10,000 London ...s.

...agreement, which has still ...atified, covers men in both ...closed docks and on the ...de as well as tally clerks, ...igers and lighterage men.

...ble from the beginning of ...onth, the rise will come on ... basic rates which range ...55 to £64 a week in the ...d docks and £42 plus sub... ...l bonuses on the riverside.

...£6 will not be incorpora... ...o basic rates and enhance ...ne and shift premia, but ... paid as a supplement as ...d by the pay policy.

...London dockers agreement ... a recent settlement at ...also subject to the pay ...in which the dockers were ...l to take the full £6 despite ... pay rises of £5.95 in ... But the Hull pay date, ...ly October, was postponed ...nonths.

...-in over ...y talks

... HUNDRED workers ...esterday sitting in at the ... near Wolverhampton, ... of Woden Transformer. ...en, all members of the ...ort and General Workers ... are refusing to take part ...annual stocktaking.

... said they would not help ...egotiations on a £6 pay ...d new minimum rates for ... workers are completed.

Single bank union talks reach 'stalemate'

BY LORELIES OLSLAGER, LABOUR STAFF

TALKS AIMED at setting up one single trade union in three major English clearing banks appear to have finally broken down because of disagreements between the National Union of Bank Employees and the staff associations of the National Westminster, Barclays and Lloyds banks over the proposed constitution.

A spokesman for the staff associations, which have been keen to continue the merger talks despite NUBE hostility, admitted yesterday that "stalemate" had been reached.

He said that each side could ask for a re-opening of the negotiations, but no further meetings had been arranged.

The three staff associations will meet later this month to discuss the situation. It is possible they will decide to strengthen their own umbrella organisation, the Confederation of Bank Staff Associations, possibly going as far as forming a single, loose confederation.

This would follow the principles which the staff associations have been insisting on for the constitution of the proposed "Association of Banking and Finance Unions (ABFU)" with NUBE. They wanted the staff of each bank to retain its identity under the ABFU umbrella.

Dragging on

But NUBE, which initially agreed to a loose structure, last summer changed its mind and is now demanding that ABFU should be a true centrally controlled federation with direct membership, direct subscriptions and directly employed officials.

According to Mr. Leif Mills, the union's general secretary, NUBE had given up on ABFU as early as last September, but talks had been dragging on at the staff associations' insistence until yesterday.

The staff associations, which have a greater number of members than NUBE at each individual bank, had been willing to make concessions to meet the union's demands, but they were unwilling to abandon the principle of confederation.

During the talks, NUBE made a number of moves to strengthen its independent position. The union threatened to withdraw from the joint domestic negotiating machinery in a number of banks and challenged the status of the staff associations of Barclays and Lloyds as independent trade unions.

Mr. Mills is also keen to sort out NUBE's relations with the Association of Scientific, Technical and Managerial Staffs both in the banking sector and in insurance, where they compete. ASTMS took over the staff association of the Midland Bank, and Mr. Mills wants to prevent further penetration into the banking sector.

Car delivery strike spreads

By Christian Tyler, Labour Staff

A STRIKE of car transporter drivers which threatened to disrupt showroom deliveries of cars spread yesterday when about 45 men at a Coventry depot of Silcock and Colling walked out. Other staff stayed at work.

Silcock and Colling is the chief delivery contractor for Ford Motor, but also works for other motor companies. About 90 per cent. of the company's 850 employees are now taking action at seven depots, a spokesman said yesterday, with only the Dover depot working normally.

The most serious threat is posed by strikes at Liverpool, where Ford's Halewood assembly plant is located, and at Dagenham in Essex, Ford's largest plant. Ultimately the Silcock and Colling dispute could halt production as Ford runs out of space to store models coming off the lines.

At the centre of the dispute is the company's insistence that a £6 pay rise can only be made if transporter drivers—150 of the 850 total—raise their average driving speed from 22 mph (set in the 1950s) to 25 mph.

Rail unions seek background to Government transport review

BY OUR LABOUR STAFF

THE THREE rail unions, campaigning for more public spending on the railways, will to-day try to discover details of the information upon which the Government is basing its review of national transport policy.

They will ask the British Rail Board to tell them what the Government has asked for and for BR's reply. This is in order to up-date their own assessment, which is that if the current annual investment rate of £238m. is continued until 1981 either services will decline dramatically or the rail network will be cut by two-thirds to about 4,000 miles.

The biggest union, the National Union of Railwaymen, is co-operating with the Transport and General Workers' Union which is intensifying its own campaign for greater subsidy of bus services which they say are in a "financially disastrous" state.

Increased spending for the public transport sector is almost certain to mean a cut in road-building programmes because of the Government's intention to restrict overall public expenditure.

While the unions try to involve the travelling public in what they see as crucial decisions affecting the shape of public transport for many years ahead, the Government has begun drawing up a policy review which it will not publish until it has had further talks with the unions next month.

NUM victory by Communist expected

CONTROL of the South Wales area of the National Union of Mineworkers is expected to remain in Communist hands in to-day's election for a new regional secretary.

Strong favourite in the five-man contest is the union's Communist vice-president, Mr. George Rees, who has received nominations from 43 of the coalfield's 52 lodges.

The election has been caused by the retirement of Communist, Mr. Dai Francis, 65, regional secretary for 14 years.

Chrysler workers plan fight to save factory

THE 600 workers at Chrysler's Tilling-Stevens factory at Maidstone — the only Chrysler plant to vote against the Government's rescue deal — yesterday decided to contnue their fight to keep the plant open.

It was announced last month that Tilling-Stevens, which manufactures air-conditioning units and reconditions engines, would shut before the summer.

The Tilling-Stevens workers have been promised a meeting with management this week. Tomorrow they will march through the town to protest against the plant's closure.

Mr. Richard Reynolds, a member of the all-union action committee, said: "We plan to ask the Mayor of Maidstone after the march to make representations to the management to keep Tilling-Stevens open because of its importance to the town.

"We don't object to the Government putting money into Chrysler. What we do object to is that Tilling-Stevens is being forced to close for political reasons.

"The reasons must be political because our reconditioning plant is not only one of the most viable of Chrysler U.K.'s operations, it could also be converted at a few weeks' notice to do work for almost any engineering firm."

Knitwear workers' threat to £6 pay rise laggards

BY OUR LABOUR STAFF

THE NATIONAL Union of Hosiery and Knitwear Workers is threatening to step up industrial action against a number of companies in the knitwear industry which have not yet acceded to its claim for the full permitted £6-a-week pay rise.

The union's dispute committee has decided that the one-day strikes every Monday, suspended over the Christmas period, should resume on January 12, and that sanctions such as refusing to work overtime should continue.

If sanctions failed to obtain results, industrial action should be accelerated, the disputes committee said.

The union claims that, if talks now being held with the Hinckley District company are successfully concluded, some 85 per cent. of its members in the knitwear industry will have obtained satisfactory pay rises.

Companies sticking to the original offer of a 10 per cent. rise, which for many knitwear workers would have meant less than £6 a week, are all small.

Job-creation funds call by Manpower Commission

BY OUR LABOUR STAFF

THE Manpower Services Commission yesterday appealed to industry and business to support its job creation programme with funds, advice, management skills and materials.

The £40m. programme is designed to provide temporary jobs of social value, particularly for young unemployed.

At a seminar in London yesterday Mr. Dewi Rees, the director of the programme, suggested that companies might be able to get support from the commission if they undertook socially useful projects themselves, such as improving their sports grounds and opening them up to the general public.

But the main purpose of the seminar was to ask industry, banks and business for support such as a recent decision by the National Westminster Bank to provide up to £30,000 for use on job creation projects.

No major new pledges were made.

Professional engineers 'need new union'

FINANCIAL TIMES REPORTER

A CALL for a new trade union to represent the interests of professional engineers is believed to be contained in a wide-ranging report soon to be published by the Council of Engineering Institutions.

Professor John Coales, the Council's chairman, said yesterday that while he did not wish to anticipate the report's conclusions, he believed that there was "a powerful case for Britain's professional engineers in the private sector to form themselves into a strong, professional association."

He pointed out that nearly 200,000 professional engineers still did not belong to any union and that there was no single union in the private sector which represented more than about a twentieth of professionl engineers.

Many professional engineers felt forced to join unions where their interests could not be fully represented and there was "disturbing evidence" that some unions were compelling engineers in the private sector to join under the threat of industrial action.

In Professor Coales' view the engineer would not be able to discharge his key responsibilities to full effect until he was represented by a strong trade union, recognised by employers.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● RESEARCH

Supercooled cable study advances

SIGNIFICANT advances in the development of supercooled electric power transmission cables—chilled to 320 degrees F below zero to increase their current-carrying capacity by as much as ten times—are reported by engineers at General Electric Company of the U.S.A. Research and Development Centre, Schenectady, New York.

After two years of research, the team has identified an electrical insulation that is expected to withstand well over 500,000 volts at cryogenic temperatures. It may become one of the keys to successful use of one type of high-capacity underground transmission system.

Goal of the cryogenic cable research programme co-sponsored by the Electric Power Research Institute, Palo Alto, California, and the U.S. Energy Research and Development Administration, Washington, D.C.—is to help the U.S. meet its growing electrical transmission needs "in an environmentally and economically attractive manner," and anyone who has travelled through areas served by several utilities will know just what that means.

Studies required the construction of a special high-voltage test facility equipped with three 20-foot-tall pressure vessels filled with liquid nitrogen. The investigation involved more than 200 samples of electrical insulation, with a selected few individually immersed in these containers and subjected to extra high voltages to determine their "breakdown" strength.

The insulating material that proved the most promising—because of breakdown strength and commercial availability—is a modified cellulose paper tape. Forty-foot-long sections of cryogenic cable, wrapped with the modified cellulose paper tape, are now undergoing sustained testing.

Power capacity

The ten largest cities in the U.S. now consume about a quarter of the electricity generated in that country each year, and their power demands are continuing to grow. The huge power-carrying capacity of cryogenic cables would minimise the amount of increasingly expensive right-of-way space needed to meet this demand.

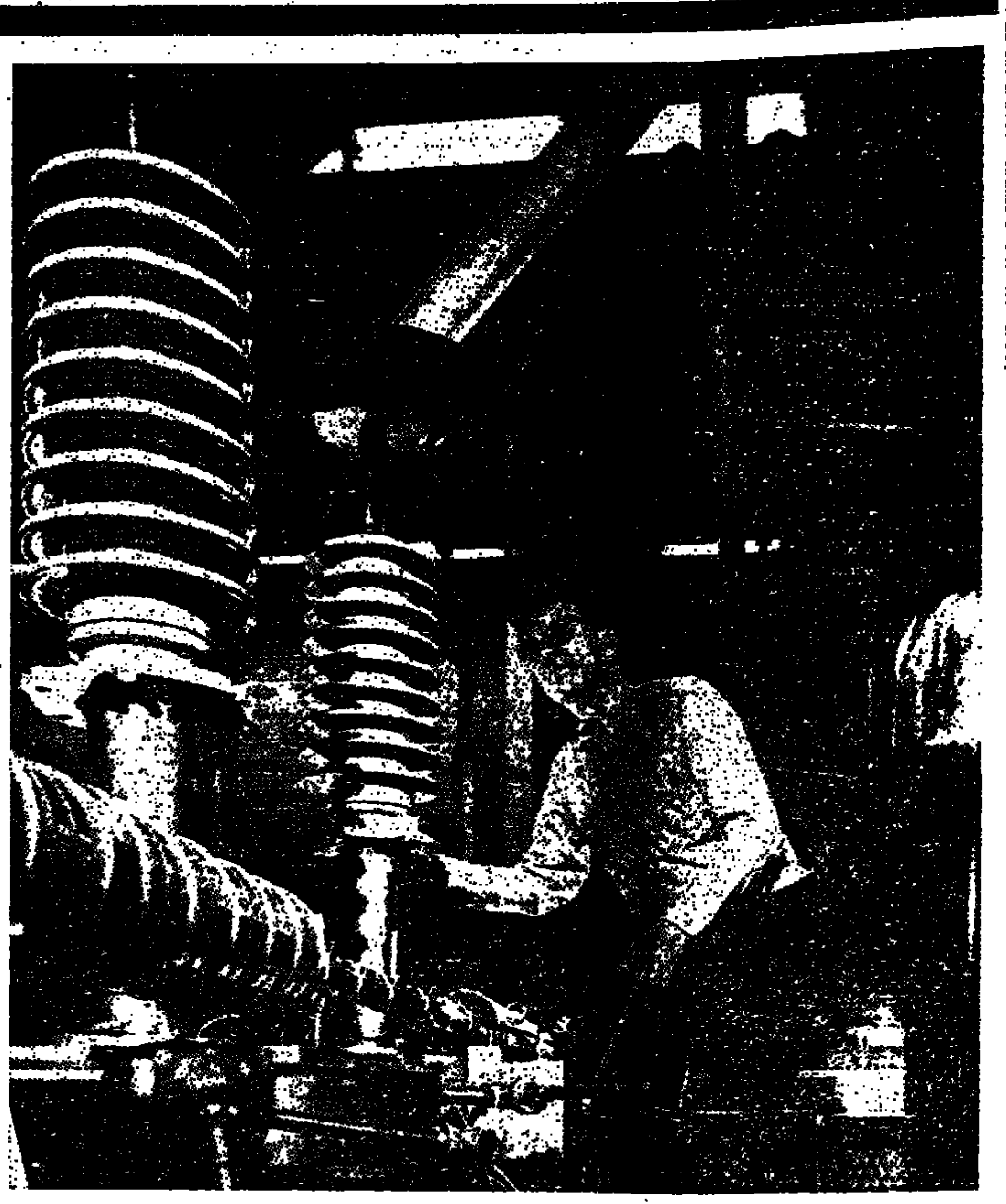
A cryogenic cable system could have the capacity to transmit up to 5,000m. volt amperes (MVA) in a single circuit. By contrast, a 500-MVA rating is considered high for the conventional oil-filled underground cables now serving metropolitan areas.

Electrical insulating tape identified by GE researchers for the cryogenic-cable tests is a modified version of the material now used with conventional underground cables. It will be wrapped around an aluminium conductor and impregnated with liquid nitrogen, reducing the cable temperature, to 320 degrees F below zero.

The search for an improved electrical insulation and the fabrication of the new prototype cryogenic cables are part of two consecutive, two-year research programmes—totalling $1.6m.—funded by the Electric Power Research Institute and ERDA. As a sub-contractor on this programme, The Anaconda Company has manufactured the test cables to GE specifications, and is providing test facilities for evaluating the cable performance.

A 40-foot section of cryogenic cable has already been tested. To improve the reliability of the cable, the search for an insulation material of greater breakdown strength was launched.

Another goal of the GE project is to develop an outer container or "envelope" for cryogenic-cable systems. Initial studies indicate that a fibre-reinforced plastic envelope surrounded by foamed thermal insulation would be the simplest, least-expensive, and most-reliable solution to this challenge.



An engineer at GE's research centre preparing to insert samples of new insulant in the left foreground into a pressure vessel filled with liquid nitrogen prior to testing up to ½m. volts.

Fire-fighting study needs details

SOFTWARE Sciences has been awarded a contract by the Home Office for its short term control room research study. Part of the Home Office's on-going programme of fire research, the project involves an investigation of available equipments which may be relevant to control room procedures.

Fire brigade control rooms form the centre of information networks which embrace individual fire stations, the location of an incident, other interested parties (for example, public utilities and the police force), and en-route appliances and men. Effective information storage, retrieval, processing, and communications techniques are of vital importance to the efficient operation of every brigade.

Since each brigade operates under different circumstances — dictated by such factors as resource availability, traffic conditions, and potential hazards, the project sets out to identify, specify, and evaluate a range of equipments, configuration designs, and operating disciplines and procedures for fire brigade control rooms in such detail as to offer detailed guidance to brigades on the most cost-effective way of organizing or re-organizing their control systems when it proves to be necessary.

Whilst cost-effectiveness is a prime consideration, the economic criteria will be considered in relation to accuracy, response time, and the degree of ambiguity which can be tolerated in likely situations.

The project is expected to cover a range of equipment layouts, from voice communications based on access to card indexes, to real-time mini-computer applications involving such techniques as data transmission to and from mobile appliances.

The company anticipates that some techniques will still be in the development stage and would welcome information from equipment suppliers on any product which might have a control room application.

Software Sciences, Abbey House, 282, Farnborough Road, Farnborough, Hampshire. Farnborough 44321.

● PACKAGING

Labeller needs less overhaul

HIGH SPEED labelling machines from Jagenberg (London) in the Solar series have done away completely with oscillating parts in the labelling station. The range of five machines covers speeds from 10,000 bottles per hour up to 50,000 bph.

By making all the glueing and labelling processes rotary, rather than oscillating, Jagenberg has greatly reduced wear and tear on all moving parts, and life of the machinery should thus increase while maintenance costs and machine downtime should be reduced.

On conventional labellers with oscillating glue segments, considerable time is lost by the constant acceleration of the glue segment from zero to operational speed and back to zero. This start and stop procedure requires a lot of time, but is completely obviated by Solar whose glue segments constantly rotate in one direction only. It is for this reason that on the labeller with an output of 50,000 bph the Solar system requires only three glue segments against eight on conventional systems.

The changeover process itself is very much simpler and quicker, being completed without tools. Again, this means less machine downtime, and less chance for human error.

Slow travel of the bottles within the Solar machines results in a correspondingly slow speed when they are being discharged to a conveyor. This ensures safer bottle conveyance and less sophisticated conveyor arrangements downstream from the labeller.

Solar labelling machines are made by Jagenberg-Werke AG, Dusseldorf, and available in the United Kingdom from Jagenberg (London) Lennig House, Masons Avenue, Croydon, CR0 1EH.

● INSTRUMENTS

Automatic ranging multimeter

WITH A NEW 3½ digit, five function, fully autoranging digital multimeter from Hewlett-Packard voltages are measured from ±0.0001 to 1,000 volts dc and from 0.0003 volts to 700 volts rms ac. Resistance is measured from 0.001 kilohms to 1,000 kilohms. Current can be measured from 0.0001 ampere to 1.1 ampere dc and 0.0003 ampere to 1.1 ampere ac.

This combination of features has been achieved at a low price through development of fine-line, tantalum nitride resistor technology, eliminating the use of more costly discrete precision resistors.

Typical accuracy for dc voltage measurements is 0.5 per cent. Dc current accuracy is 1.0 per cent. On ac voltage ranges, frequency is specified to 10 kHz, while ac current measurement is to 5 kHz. Accuracy of resistance measurements is within 0.6 per cent on the three highest ranges and 0.4 per cent. on the two lower ranges.

Input resistance on all voltage ranges is 10 megohms with input capacitance of less than 30 picofarads. The 3476 is protected to 1100 volts peak on all ranges. The fuse that protects the ohms function is rated 250 volts rms. The current function is fuse protected to 1.5 amps. No special fuses are required and they can be quickly replaced without dismantling the instrument.

A range-hold feature is included that allows the instrument to be locked to any desired range. This feature is necessary, for example, when measuring diode resistance. It also makes repetitive measurement faster. The LED readout gives all voltage readings in volts, all resistance readings in kilohms and all current readings in amperes.

Hewlett-Packard is at King Street, Winnersh, Wokingham, Berks., RG11 5AR. Wokingham 784774.

● COMPONENTS

Pressure locking bushes

FOR USE where components have to be shaft mounted, for example, flexible couplings, chain sprockets, gear wheels, pulleys, clutches, levers, etc.—Powder Couplings, Airedale Works, Kitson Road, Hunslet, Leeds LS10 1AA (0532 31471) has introduced the E.T.P. parallel locking bush.

Basically, this comprises a double walled sleeve enclosing a pressure medium which when compressed by an annular piston exerts pressure against the wall of the sleeve causing it to expand along its length. Pressure on the piston is applied by bolts.

Mounting is simple—the bush is located between the hub and the shaft, and the bolts tightened with a hexagon (Allen) key. To remove, the process is reversed. No special machining or keyways are needed on the shaft, nor taper in the bore.

Other advantages are stated to be a larger bearing surface between the hub and the shaft, and simplified axial adjustment. The bush is made in Sweden by Förenade Fabriksverken.

● PLASTICS

Engineering service

PRODUCT development and engineering services required by the end-users of plastics and polymeric materials is to be provided by the Yarsley Polymer Engineering Centre (YPEC), a new division of the Fulmer Research Institute, Stoke Poges, Slough SL2 4QD (Fulmer 2181).

YPEC has been formed following the acquisition by Fulmer of IPEC (Polymers), which becomes a wholly-owned subsidiary of Fulmer. Facilities of YPEC includes a range of plastics processing equipment, including injection moulding machines, varying in size from 0.5 to 40 oz., a 1 inch single screw extruder, compression and transfer moulding machines, and various items of mixing and blending equipment. This is sited at the former IPEC works at Avis Way, Newhaven, Sussex.

The Institute says that, on a completely independent basis, YPEC will provide research, development, consulting and production facilities for processors and users of polymeric materials thermoplastics, thermosets and rubbers.

New boat-building material

TICIER, a 40-foot Poseidon glass reinforced plastics pilot cutter is pioneering the use of ICI's new terephthalic polyester resins in boat building and could have an important influence on the next generation of work boats and sailing craft, says ICI.

Compared with conventional marine polyester resins, these resins increase the strength retention of grp laminates and reduce their water absorption, as well as imparting excellent chemical resistance and high heat distortion characteristics.

"Ticier" is the outcome of a joint development programme between ICI and Tyler Boat Company, of Tonbridge, Kent. The vessel is on show at the International Boat Show, Earls Court.

● STORAGE

Better grip for shrink wrapping

TO GIVE greater stability to shrink-wrapped palletised glass and other containers, a timber pallet has been developed by Bambergers Materials Handling in co-operation with Rockware Glass.

Called Shrinkpal, it differs slightly from the standard 1200 by 1000 mm. four-way entry pallet—the external faces of the blocks separating the top and bottom decks are cut to an angle which allows a polythene shrink-wrap hood to cling firmly to the pallet deck. This secures the load and reduces the surplus overlap of the hood.

The new pallet is interchangeable with existing pallets and is compatible with pallet handling equipment. The maker is at Berkeley Avenue, Reading, Berks. (0734 594111).

● DATA PROCESSING

Consultancy in Leeds

UCC HAS separated consultancy services from its main-stream bureau network operations by forming a Consultancy Services Division. With headquarters in new offices in Leeds, the division is headed by Mr. Henry Schwartz.

UCC has been providing independent consultancy services for a number of years, particularly successful in the Middle East. Projects have included designing and installing large IBM systems followed by facilities management contracts while local operators were being trained. In the U.K. the major demand has come from the North of England—from first-time computer users to large nationally known companies like Burton and Hepworth who employ Honeywell, Univac and ICL machines.

Hitherto UCC's consultancy staff had been operating from the company's Birmingham computer utility centre. The decision to separate consultancy operations and base them in Leeds has been influenced particularly by the need to emphasise their independence of thought from the company's main-stream activities.

UCC is at 01-387 9661.

● COMMUNICATION

Video tape agreement

DU PONT de Nemours and Co., has been licensed by NV Philips of the Netherlands to market in Europe a VCR cassette for the half-inch Philips VCR format, the U.S. company has announced in Geneva.

The Du Pont VCR cassette contains "Crolyn" magnetic tape, a chromium dioxide tape developed by Du Pont. The cassettes will be available with playing times of 30, 45 and 60 minutes.

Du Pont has previously been licensed to market VCR cassettes in the U.S. for Philips Broadcast Equipment Corporation.

● PROCESSES

Pact covers electrode materials

CORNING Glass Works [illegible] Electronor Corporation, a [illegible] of the deNora group of [illegible] Italy, have announced jointly [illegible] development agreement on [illegible] trodes for electrolytic proces[illegible]

The two companies said [illegible] combined experience and tech[illegible] cal resources would be used [illegible] the development of new types [illegible] anodes and cathodes for [illegible] electrochemical and elec[illegible] metallurgical industries.

The deNora group of [illegible] panies is a leader in electroly[illegible] cells and dimensionally sta[illegible] anodes. Corning has strength[illegible] the development of inorganic [illegible] semiconducting materials, [illegible] of which have application in [illegible] chemical and electronic in[illegible] tries.

Potential applications for [illegible] electrodes under develop[illegible] are in metal and chemical p[illegible] duction, cathodic protection [illegible] pollution control

● METALWORKING

Synthetic cutting fluids

NOW MARKETING its [illegible] range of fully synthetic cutt[illegible] fluids, Shell has introduc[illegible] three formulations developed [illegible] the Thornton Research Cen[illegible] Called Metalina GR, GC and [illegible] they are intended to cover [illegible] wide variety of machining ap[illegible] cations from simple grinding [illegible] severe cutting operations.

Shell says that by care[illegible] selection of the appropri[illegible] grade, improvements over co[illegible] ventional emulsions can [illegible] obtained in anti-corrosion p[illegible] formance, surface finish, tool a[illegible] fluid working life. It is al[illegible] claimed that the fluids have [illegible] stronger resistance to bacter[illegible] attack than conventional solu[illegible] oil emulsions, and contain ad[illegible] tives to ensure a long life.

The maker states that in add[illegible] tion to use where traditional water-extendable fluids are [illegible] the Metalina range can be us[illegible] in some cases where neat cutti[illegible] is normally recommended.

Against five major competit[illegible] products, the GC fluid enabled [illegible] drill to make 110 holes befo[illegible] failure, compared with 92 by [illegible] best competitor and less th[illegible] half that number by the wor[illegible] claims Shell.

Clamp for drilling

A MACHINE vice for use on [illegible] vertical drill stand has bee[illegible] developed by SKIL Nederla[illegible] BV, of Breda, Holland. It has [illegible] jaw opening of 7.5 cm. and [illegible] jaw width of 7 cm. The mak[illegible] says this enables it to be us[illegible] for numerous clamping jobs, a[illegible] to be mounted on a work benc[illegible] or used as a simple clamp.

Clamping is by an eccentr[illegible] lever instead of the convention[illegible] threaded spindle, which spee[illegible] the movement of the jaws [illegible] production work.

Recesses in the jaws allow f[illegible] horizontal or vertical fixing [illegible] tubes or bar, and the slotted ba[illegible] permits drilling through th[illegible] material in the vice.

The company's U.K. office [illegible] at 1b, Thames Avenue, Windso[illegible] Berks., SL4 1QJ (Windsor 6852[illegible]

● POWER

Resisting corrosion

TEMPORARY OR permanen[illegible] outdoor power points which wi[illegible] resist water ingress, corrosi[illegible] atmospheres and mechanic[illegible] damage can be assembled on sit[illegible] from a "package" of equipmen[illegible] available from Walsall Conduit [illegible] Dial Lane, West Bromwich, Wes[illegible] Midlands B70 0EB (021-557 1171[illegible]

The package consists of [illegible] double-insulated, weather-resis[illegible] ant, glass-fibre enclosure (t[illegible] house a mains terminal an[illegible] associated equipment), a splash[illegible] proof, impact-resistent switche[illegible] socket (available in variou[illegible] ratings from 16-63A, 20/25-500, 750V and a compatible splash[illegible] proof or watertight plug.

Available in eight sizes, the enclosure can be mounted vertic[illegible] ally or horizontally on a pole or wall. An entry for the mains cable or conduit can be drilled at any point on the front, back, top, bottom or sides of the en[illegible] closure. The socket is then bolted to one side of the [illegible] closure and connected to [illegible] mains supply.

The socket's interlocking on/off switch will not operate until the plug has been inserted in the socket. Once inserted, the plug cannot be removed unless the switch is in the "off" position.

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هكذا صدر الأصل

خلاصة الإعلام

The Executive's World

Nicholas Leslie assesses the extent to which there has been . . .

middle manager erosion

MIDDLE MANAGERS' SALARIES (married man, 2 children under 11)					
July 1975		July 1971		July 1967	
Gross £	net £	Gross £	net £	Gross £	net £
6,670	4,750	4,094	3,150	2,954	2,285
WEEKLY WAGE EARNER (married man, 2 children under 11)					
July 1975		July 1971		July 1967	
Gross £	net £	Gross £	net £	Gross £	net £
3,146	2,529	1,608	1,408	1,134	1,049

DDLE MANAGERS in ustry must be wondering ther Mr. Denis Healey's ission at the week-end of g "deeply conscious" of r financial plight is a sign eal awareness of their posi- or merely the shedding of w crocodile tears.

umblings of discontent in middle band of management pay levels and differentials been heard in recent ths as part of a general ession of discontentment it their lot. Among other cs about which they have n vent to their feelings has their increasing conscious- of being managers without power to manage or free- to take risks. Pay has ed a major plank in argu- ts for a greater total reward managers.

Diminution

very major executive salary ey in recent months has n that the middle manager over the past five years or uffered a very real diminu- in his spending power, in rast to the average weekly earner whose spending er has kept ahead of infla-

As for top management, Chancellor's remark on lay in the television pro- ume, Weekend World, that are "often less interested aterial rewards" must have uced a few hollow laughs. the same surveys have n that top management, in s of real spending power, suffered most of all in at years.

see just how marked has the erosion of middle agers' earnings, it is worth ing back to 1967. that time, according to es compiled by Inbucon/ Management Consultants, average salary level for a ied middle executive with children under 11 years of was £2,954 gross, and £2,285 fter tax and taking account e usual allowances. By July, his salary had risen to 9 gross and £3,150 net. But the Retail Price Index in period having gone up by per cent., the net increase ending power — despite a rise of 38.6 per cent.—was er cent., or plus £174.

fact, that was a period in the middle manager fared than the weekly wage r. He, in the 1967-71 d, found his average wage from £1,134 gross (£1,049 to £1,608 (£1,408), which t that after allowing for ion his real spending power by 3.1 per cent., or £42.

t in the four years to July, the picture changed atically. The middle mana- salary rose from £4,094 (£3,150 net) to £6,670 gross 50 net), representing a 63 per cent. gross increase. In the same period the Retail Price Index rose by 71.1 per cent., so the net effect on the manager's real spending power was a reduction of £640 a year, or 12 per cent.

The weekly wage earner, on the other hand, experienced a gross increase from £1,608 to £3,146 (£1,408 to £3,529 net) and he thus emerged in July, 1975, with a £120 rise in real spending power, or 5 per cent.

Of course, these figures relate to only one survey, but they cover a substantial sample of people and, while other surveys produce different figures, relating to alternative periods, the trends are the same. In computing the figures, account has been taken of increases in the various personal and family allowances, changing tax rates, and of pay limits imposed by the Conservative Government under the three phases of its anti-inflation programme between 1971 and 1974.

In confirmation of the trends, Hay-MSL management consultants have figures which show that a salary rise from £2,000 to £4,100 between July, 1969, and July, 1975, would have resulted in a net 4.4 per cent. reduction in spending power, with the £4,000 salary earner, rising to £7,670, experiencing a net fall of purchasing power of 11.6 per cent.

Any attempt to be specific about the tax burden of the middle manager is risky because so many different factors have to be taken into account with each individual. Nonetheless, given the average married executive with two children under 11, he has probably found that where as between 1967 and 1971 his effective tax rate more or less remained steady—with allowances rising roughly enough to meet inflation—in the past two or three years the Exchequer has been taking a much larger bite at his earnings.

Broadly, there was a 41.25 per cent. standard rate of tax in 1967-68 and a 38.75 per cent. rate in 1971-72 (during the period personal allowances went up and earned income relief was two-ninths of earnings). Higher rates of tax began at the £5,000 per year earnings level.

For 1975-76, however, the basic tax rate of 35 per cent. prevails up to the £4,500 salary level, where the levy rises to 40 per cent. From £5,000 onwards the rate is 45 per cent. Thus, many executives will be feeling this more punitive rate for the first time and in the meantime, of course, the National Insurance contribution levels have also risen sharply.

It is often maintained that the impact of movements in the Retail Price Index is greater on those on the lower pay scales rather than in the middle bracket, and that inflation as computed on this basis would thus be less punitive to the middle manager section of society.

The counter argument to that is that the middle manager is likely to live a very different life style.

The wage earner's life style could well be a modest home base—either privately owned or a council house—with two children at a state school and a modest family saloon car.

Aspiring

His counterpart in management would clearly be aspiring to higher management and his life-style would match this aim. Thus, he would probably be heavily mortgaged, his car would be of a more expensive variety (although he might well have a company car as well) his children would probably be at private school and he would have insurance for private medical care. Given that the cost of his shopping basket will go up as much as anybody else's, he then has had to bear over the past two years or so considerable increases in school fees particularly, and interest on his mortgage will be bearing much more heavily.

But while the actual cash left in the middle manager's pocket is of major importance, so too is his worry that the differential between his salary and the shop floor wage earner has been steadily eroding. And the answer to that problem seems to be extremely difficult to solve since the two easiest solutions would be politically difficult to put into practice.

First, there is adjustment of tax rates for the earner of a salary between £5,000 and £10,000. This would no doubt meet with demands for pro rata adjustments for the lower wage earners.

Second, there is adjustment of middle manager's salaries to compensate for inflation. But that would also be difficult since the adjustments required would be extremely large and, if the system is to be equitable to all, top management would require even larger salary increases.

For example, if one takes Inbucon's projection for the middle manager of £6,982 gross, £4,946 net. By July next it would require a salary hike to £9,400 gross to achieve a required net salary of £6,114 to compensate for inflation.

Reluctance

The erosion of the middle manager's salary by tax and inflation is in certain cases also creating a reluctance to aspire to any higher position. This is especially so in the higher end of middle management where tax rates begin to increase because they simply feel that since they may well immediately, or in the near future, end up being no better off than they were it is not worth taking on greater responsibility.

In this context, there have been complaints from industrialists of late that they are losing middle managers to the civil service where higher salary scales, and inflation-proof pension schemes are being offered for jobs entailing less responsibility than in industry.

But while the feelings being expressed in middle management appear to have had some effect on the Chancellor, the problem seems likely to increase among top management, who have been hit badly over the past four years. Whereas, for example, the average salary in the managing director class in July, 1971, was £8,468 (£5,625 net), it had risen by only 32 per cent. to £12,900 (£7,450 net) by July, 1975—this was the period when the Retail Price Index had risen 71.1 per cent.

While inflation has been the major cause of top managers feeling the pinch, the tax rates at the upper pay scales could be having side effects which may be very damaging for industry. It is worth considering a point made to me recently by a well-known company director that many executives who are eminently suitable as candidates for non-executive positions on company Boards simply cannot afford to undertake such a job. This is because, given that they will already be earning what is considered a high salary as a major company executive, they find that the fees they would earn as non-executives would not after tax be sufficient to cover their expenses.

Italy's growing publisher

BY ANTHONY ROBINSON in Rome

One of the many magazines with which Rizzoli dominates the Italian periodical market.

RIZZOLI, THE biggest name in Italian publishing, which pulled off a major coup in 1974 by taking over Italy's most influential newspaper group, the Corriere Della Sera, is now planning a big expansion of its international activities and diversification into the educational publishing field.

But this is a programme which is meeting strong opposition from Rizzoli's Italian competitors. They claim that Rizzoli intends to partially finance this expansion through cheap credits from the Italian State and have already been put on their guard by the Corriere purchase which went ahead with the help of financial and other guarantees from Italy's largest and most controversial chemical group, Montedison.

It is a situation which has all the ingredients of a classic Italian feud, but waged through the columns of the rival newspaper and magazine chains and even through the strip cartoon of Linus, one of Rizzoli's main publications. In one by now famous Linus strip Rizzoli's principal opponent, Sig. Eugenio Scalfari, Editor of L'Espresso magazine and future editor of the new Left Wing daily, La Repubblica, which starts publication on January 14 is hilariously lampooned. La Repubblica, which is a joint venture between Mondadori, the other big name in Italian publishing, and L'Espresso Group, is being launched in a blaze of advance publicity as a champion of Press freedom and independent of both the political parties and industrial groups which own the bulk of the Italian Press.

But feuds tend to throw up more dust than light and it is useful to clarify Rizzoli's expansion plans, which lie in the rapidly increasing demand for books, magazines, newspapers and educational materials in an Italy now undergoing a complex period of political, social and cultural change, and to examine its prospects for expansion, specially for educational and didactic materials, in the Third World.

Up to now, the basis of the Rizzoli empire has been its domination of the Italian periodical market through seven weekly, one fortnightly and two monthly magazines—of which one is the Italian edition of Playboy. Rizzoli claims around 55 per cent. of the 14m. copy periodical market through Oggi, Annabella, L'Europeo and other big selling magazines which accounted for no less than L108bn. of total group turnover of around L250bn. last year. Compared with this, book publishing and distribution at L35bn. looks fairly small.

But it is large by Italian standards and Rizzoli foresees a major expansion through the development of its own book club and direct mailing which will further strengthen the already strong Rizzoli distribution network.

Film production and distribution through Rizzoli Film and Cineriz respectively is another highly profitable activity with a 1975 turnover of L24bn., a new distribution network in South America and a repertory of 500 films including La Dolce Vita, Fellini 8½, Emmanuelle, Papillon and other box office hits. The group also produces some 100,000 tons of paper annually from its ultra modern Cartiere Di Marzabotto paper plant and has high technology printing presses in both Milan, where the group is centred, and Rome. It also owns seven hotels on the island of Ischia, in the Bay of Naples.

Clearly, even before the Corriere purchase in July, 1974, Rizzoli was one of Europe's most diversified and integrated publishing and distribution groups. But the purchase of Corriere, Italy's nearest equivalent to a national newspaper, has given the group an added dimension, as well as new complication.

Very few Italian newspapers are run as independent publishing ventures. Most are either straight party newspapers or are controlled directly or indirectly by major economic groups. Corriere, under the original ownership of the Crespi family, used to be a major exception to the rule. But when the Corriere started to lose money heavily ownership passed into the hands of a trio formed by Giovanni Agnelli, of Fiat, the petroleum magnate Angelo Moratti and Giulia Maria Crespi. But the size of Corriere's losses frightened even this "Big Three," who sold the entire group of papers and magazines to Rizzoli in July 1974 for L.40bn.

The deal provoked considerable and lasting apprehension because Rizzoli only went ahead with the deal after receiving financial and other guarantees from Sig. Eugenio Cefis, the chairman of Montedison. These agreements naturally created doubts over Corriere's future objectivity and independence. Fully aware of these misgivings, Rizzoli is determined to run Corriere as a normal, and profitable, publishing venture. One guarantee of this approach is that the editor, Sig. Piero Ottone, is a highly respected professional, while Italian journalists themselves have acquired considerable control over editorial policy through the so called Comitato Di Redazione, or editorial committee. Circulation meanwhile has risen by 65,000 copies daily during 1975 to over 550,000.

But Corriere's principal problems stem from the losses of the formerly highly profitable Domenica Del Corriere weekly magazine. The sister Milan afternoon paper Corriere D'Informazione, and Il Mondo weekly magazine. Corriere Della Sera itself makes a profit. The Corriere Group lost nearly L12bn. (£8m.), of which L6bn. was accounted for by contributions to staff retirement fund.

In swinging the Corriere operation back to profit tighter cash management, and slimmer stock levels and investment in new plant play a part. At the same time, it is planned to convert the Corriere D'Informazione into Italy's first popular tabloid newspaper.

By expanding its mail order book business, Rizzoli plans to create 300 new jobs which it would like to fill internally. Currently, the Corriere Group accounts for around 14 per cent. of the 5.5m. newspapers sold daily in Italy and newspapers account for around L44bn. of Rizzoli's turnover. This it wants to increase.

Given the highly delicate political and economic position of newspapers in Italy, Rizzoli's plans are looked upon with some trepidation, while competition in this sector is bound to increase later this month when rival publisher, Mondadori, and L'espresso Group, together launch the new Left Wing daily, La Repubblica. But expansion of its newspaper interests is only part of Rizzoli's overall strategy which also foresees a major incursion into the educational and didactic materials field and a wider geographical spread which it hopes will raise foreign business from current levels of just under 7 per cent. of total turnover to around 25 per cent. in five years' time.

The two things are connected in that Rizzoli is currently negotiating with major educational publishers like Pearson Longman in the U.K. and Harcourt Brace in the U.S. Up to now, Rizzoli's new bookshop on New York's Broadway, three other shops in Atlanta, Chicago and Beverly Hills, plus two in Canada have been among the most visible signs of Rizzoli's foreign interests. It has also recently set up a film distribution network in South America and is currently examining educational material prospects with the Cultural Fund of Mexico, negotiations in which President Echevaria is taking a direct interest. Similar negotiations are under way with the Egyptian authorities.

By expansion at home and abroad, Rizzoli hopes to raise its turnover to some L600bn. by 1979 compared with L250bn in 1975 and L190bn. in 1974. Last year the group broke even as profits from its book publishing, film production and distribution and paper making subsidiaries just covered losses from the Corriere while it was able to undertake investment of L9bn. in new printing presses and other plant. Against bank debts of L55bn. and medium-term debts of L22bn, it claims outstanding credits of L71.9bn. and stocks of L130bn. Some L110bn. of this stock total consists of four years' supply of encyclopaedias, seen as an impeccable anti-inflation hedge investment.

Rizzoli is controlled by the Rizzoli family, and the Board has just proposed to double parent company Rizzoli Editore SPA's capital from 5bn. to 10bn. lire. It is also negotiating a L30bn. loan from a medium-term credit institute to cover its plant and other investment eligible for such funds under the terms of law 464 and 623, which cover subsidised credit for small and medium companies reconverting their plant, and law 172 covering financial assistance to the Press and publishing industry.

Rizzoli strongly denies that it is seeking special treatment, but is merely applying for those credits to which it is entitled under existing legislation. Within the context of its international expansion plans, it is also thinking about the possibility of raising funds on the international market, but this is probably some way off and its first priority at this stage remains that of reinforcing its international links and marketing arrangements abroad.

BUSINESS PROBLEMS

BY OUR LEGAL STAFF

Borrowing external funds

Can I borrow money from the external funds of a non-resident for my business in the U.K., and, if so would the interest paid be tax deductible for me and free of U.K. tax to the non resident, who is not otherwise liable to U.K. tax?

You should obtain exchange control clearance before borrowing external sterling for business purposes. If you get in touch with your bank they will be able to help you with your application to the Bank of England and will explain what supporting information must be supplied.

If you are in business on your own account (and not through the medium of a company, etc.), and if the loan agreement is made subject to English law, you should deduct tax at the basic rate (currently 35 per cent.) from each payment of interest and pay the tax over to the Inland Revenue in due course, under section 54 (1) (c) of the Income and Corporation Taxes Act 1970, as amended. As far as your own taxation is concerned, the ultimate result will be virtually the same as if the lender were resident in this country.

The lender's ultimate liability to U.K. tax (which might exceed 35 per cent. if the interest exceeded £1,000 a year, under current legislation) will depend upon his personal circumstances, including which particular country he lives in. Under the double taxation agreements with a number of countries, interest is exempt from U.K. tax in this type of situation (subject to certain conditions); if your prospective lender is eligible for exemption under a double taxation agreement, he can ask the Inland Revenue to authorise you to pay the interest in full. Application should be made to the Inspector of Foreign Dividends, Lynwood Road, Thames Ditton, Surrey, KT7 0DP, giving the full name and residential address of both the lender and yourself (including your tax reference number, if possible).

This is a complex matter and you would do well to seek professional guidance. If the loan agreement is to be made subject to foreign law, for example, the law of the lender's country, the complexities are increased and professional guidance becomes virtually essential.

Resolution to appoint new auditors

When special notice has been given to a company of an intention to propose at the AGM that the previous auditors be not re-appointed, but no notice has been given of the new auditors, can this be done by an amendment? What would be the position if there were an adjournment of the meeting?

Section 160(i) of the Companies Act 1948 requires special notice to be given to the company of a resolution to appoint new auditors. Therefore it is not possible to move by amendment a resolution of which special notice has not been given. If there is an adjournment of 30 days or more fresh notice of the adjourned meeting is normally required (article 57 of Table A) and it seems that a special notice could then be given to the Company for the adjourned meeting.

Sales of nil-paid rights

I have been in receipt of a number of rights issues in various companies, and am expecting another. I find the tax situation baffling, particularly where the companies sell rights not taken up and remit the proceeds to the shareholder. I presume the proceeds can come under the head of small disposals (under £500) unless the cost of the new shares were to be added to the rights element. What please is the position, and what do you advise?

The capital gains tax rules relating to sales of nil paid rights are of a complexity out of proportion to the size of the proceeds generally involved. Briefly, however, you have a choice between (a) simplicity and (b) maximum capital gains tax loss relief, in the situation which you outline.

(a) The simplest course available to you, in most cases, is to deduct the proceeds of the nil-paid rights from the cost of your existing shareholding. This reduces the pool cost to be taken into account on a future sale, of course, but meanwhile the proceeds of the nil-paid rights do not even count towards the £500 limit. The relevant legislation is to be found in paragraph 8 (1) of schedule 10 to the Finance Act 1966, coupled with paragraph 3 (2) of schedule 7 to the Finance Act 1965, as amended.

(b) Alternatively, you can calculate the consequences of applying the part-disposal rules to each nil-paid sale in turn. Where the result is a gain, you adopt the computation and claim exemption under the £500 rule; where the result is a loss, however, you disregard the computation and adopt the procedure explained in (a) above—unless there is an overall loss on all disposals in the year. The relevant legislation is in paragraph 7 (2) of schedule 6 to the Finance Act 1965.

Since the total proceeds for the year will be small (as defined in section 57 of the Finance Act 1971), it is unlikely that any tax inspector would think it worth his while to dispute a claim that each item is small (in the undefined sense of that word in paragraph 3 (2) of schedule 7 to the Finance Act 1965) in relation to the corresponding ex-rights market value.

A retrospective rent increase

The lease of my shop provides for a rent review in January, 1974. In June, 1975, I was advised of a doubling of the rent retrospective to January, 1974. Can such a retrospective increase be made?

It depends on the precise form of the wording of your lease whether the landlord can activate the rent review provisions after the date on which the review is due. Some leases are so worded as to disentitle the landlord from doing this; others enable him to operate the review late and for it to be retrospective. In any event, a reviewed rent cannot be required for a period before the rent freeze ended in March, 1975. You would be wise to consult a solicitor.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

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WEDNESDAY, JANUARY 7, 1976

Struggle over Fund reform

AT ALMOST the last moment, questions are being raised about whether the IMF's reform programme, the fruit of nearly four laborious years, will finally be agreed according to schedule at the interim committee meeting in Kingston, Jamaica, to-day and to-morrow. The immediate issue is the agreement on gold sales, hammered out in the Group of Ten and at Rambouillet. One of the main purposes of this sale would be to finance a special trust fund to provide soft loans and grants for the poorest of the developing countries; but it is the LDCs themselves who may now combine to block the proposal, on the ground that it does not go nearly far enough. If they do the other agreements prepared for Kingston, adding up to an entire reform programme, will be in doubt.

Blocking vote

Such a threat is, of course, nothing new in the history of the Fund. The weighted voting system which governs the Fund ensures that the developed countries are in effective control of executive decisions: but the LDCs can amass a blocking vote against any reform of the Articles of the Fund, or a basic decision such as a change in quotas, if they act in concert. They have for a long time tried to use this power to get policy modified in their interests—in the allocation of quotas, in seeking an aid link in the creation of special drawing rights, and in influencing the policies and management of the World Bank group.

What is disappointing, but not altogether surprising, is that such a threat should hang over an interim committee meeting. This committee — originally christened the Committee of 20—was set up with the aim of giving the developing countries a greater voice in the formation of policy, in the hope that it would form an effective Council of Ministers to manage the Fund. Indeed, this is a change which the Ministers at Kingston are expected to recommend.

Unfortunately the Committee has proved in practice to be far too cumbersome a body to take detailed decisions. It first spawned an informal Group of Five developed countries to hammer out difficult issues in private; and when this proved offensive to the excluded members of the old Group of Ten that body itself re-emerged. In addition there have been talks between France and the U.S. on the gold issue, and the Rambouillet summit. It is not altogether surprising if some of the developing countries now feel that it is high time to reassert themselves.

The real issues, however, are economic. While the gold sale scheme has been presented as a device to help the poor countries, they are not altogether impressed. The sum which it is proposed to raise—less than $2bn., spread over four years—would reduce their collective balance of payments deficit by only about 1 per cent. Although there is a whole range of other aid and financing proposals, their scale still seems inadequate to the problem.

The question is not so much whether the poor countries will be able to finance their deficits at all as what the political and cash price will be. Commercial credit, OPEC schemes and food aid should ensure that essentials can be imported, but the terms can be economically burdensome or politically restrictive. Even schemes such as the special oil facility — where the IMF acts as a financial intermediary, borrowing from strong economies to lend to weak ones — are by no means as "soft" as the weakest would like

Tethered giant

In the event, no doubt, there will be compromises, for it seems unlikely that reforms which are on balance helpful will be vetoed by the LDCs, even if they do raise their price for acquiescence. All the same, the doubts hanging over Kingston are a sad proof of the fact that the fundamental difficulties of the IMF itself—above all, how far those who pay the piper can call the tune—are still far from resolved. As long as the doubts persist, the Fund remains the tethered giant it has long been: potentially the most important of the international economic bodies—but on the important issues, the least effective.

Portugal faces its economic problems

DESPITE the shootings at Oporto last week, Portugal has enjoyed for the past six weeks a greater degree of stability than at any time since the revolution of April 1974. The Armed Forces Movement is still trying to work out what should be its relationship with the part-military, part-civilian coalition government, while the government itself, composed as it is of Popular Democrats, Socialists and Communists, is inevitably divided on many major issues. Yet the Armed Forces Movement appears to have restored effective discipline over its own units, the government's authority is no longer being openly flouted from within its own ranks, and as a result the anarchy which characterised Portugal for 18 months has to a large extent abated.

Authority

The restoration of a semblance of meaningful government is a precondition for any serious attempt to grapple with Portugal's economic problems, which would test the political authority of even the most solidly based democratic government. The government is faced with very rapid inflation, a serious balance of payments deficit, and the prospect that the national product will fall by a further 10-15 per cent. this year, in an economy where unemployment has been swollen both by domestic mismanagement and by the return of refugees from Angola. The government's immediate recipe for dealing with a situation in which public and private consumption is outrunning production, has been to impose a pay freeze and to raise taxes, mainly of the indirect variety.

Inevitably the attempt to cut consumption by widening the gap between prices and incomes is bound to be unpopular; it is certainly a long way from the naive euphoria of April 1974, and the government's authority, and its consistency of purpose, is bound to be tested by accusations that the socialist aims of the revolution have been abandoned in favour of classical conservatism. It will be tested more concretely next week, when 13 trades unions are planning to stage a mass demonstration against the government's policies.

Deficit

The government's difficulties are compounded by the problem of financing its balance of payments deficit, notably by a serious difference of opinion with the International Monetary Fund over economic strategy. As a condition for further drawings on IMF facilities, the Fund is reportedly insisting on more severe deflation and on a large devaluation; yet it is easy to see why the Portuguese disagree. Their heavy dependence on food imports has been made much worse by the disruption to agriculture caused by anarchic worker occupations.

On the invisible front—always an important element in the balance of payments — the tourist industry is more likely to profit from political stability than from devaluation, while the Portuguese authorities believe that devaluation will cause a drop in workers' remittances from abroad. Inflation has undoubtedly reduced the competitive edge of Portugal's industries: but what has really damaged their export performance has been disintegration of management and collapse of production. Portugal's economic problems have been caused by serious political dislocation. Its economic recovery now depends on a long period of political stability, and on the ability of the Government to move from the restoration of law and order to the restoration of normal economic activity. It needs resolution and external help.

The nationalisation of Venezuela's oil industry has produced a new State corporation, Petroven, which inherits oilfields capable of producing nearly 4m. barrels of crude a day. But Petroven faces a stiff foreign sales struggle if the country is not to drown in its own oil.

President Pérez: flags and euphoria.

Hard sell in a soft market

BY HUGH O'SHAUGHNESSY, Latin America Correspondent

IN THE oppressive heat of the little oil town of Cabimas overlooking Lake Maracaibo and its thousands of offshore rigs, President Carlos Andrés Pérez, the perspiration soaking his elegant tropical suit, finished a 70-minute speech last Thursday which was the high point of ceremonies marking the nationalisation of one of the world's biggest oil industries. He ran forward into the cheering crowd which enveloped him like a tide while cheerleaders bobbed about with man-sized wooden models of oil rigs topped with the Venezuelan flag or danced with religious statues seized from the altar where a mass had earlier been celebrated.

But hundreds of miles away from the euphoria of Cabimas the mood of the Venezuelan politicians and officials who now have to run the industry which was once administered for them from New York, London, The Hague and Houston is one of sober realism. Sr. Valentin Hernández, the cautious technician who from his Oil Ministry now has the responsibility of running the industry, insists that this has been "A well mannered nationalisation."

A pay-out of $1bn.

A little over $1bn. is being paid to 21 concessionary companies and 16 participating companies, the Exxon affiliate Creole, for instance, getting $475.7m. and Shell $248m., mostly in five-year 6 per cent. bonds. The only hitches have been the refusal of the small El Paso company to accept the proffered compensation, and the withholding by the Venezuelans of payment to Occidental pending investigation of bribery charges.

All the companies involved are U.S. corporations with the exception of Shell and two small Venezuelan companies. The compensation has been worked out on the basis of depreciated book value, though the total gross investment by the companies over the years is estimated at $5.5bn. In the place of the oil companies has come Petróleos de Venezuela (Petroven), the State-holding company which is one of the 10 biggest oil companies in the world and among the world's 50 biggest corporations.

The Government has decided to maintain intact the old companies' operating structures and most of the personnel in the operating affiliates of Petroven. The Shell operation, for instance, has become Maraven, retaining its former president, Dr. Alberto Quirós, and other directors such as Dr. Richard Irving. A new logo has replaced the traditional shell on Maraven's plant and installations but Shell's familiar red and yellow colour scheme has been retained.

The Government's aim is that the operating units should continue competing with each other as they stand. At some later date, when the hard-pressed officials who have been working round the clock over the nuts and bolts of the nationalisation get their breath back, there will be some move to rationalise the duplicated and overlapping facilities the operating units took over from the old private companies. But President Pérez has pledged that there will be no interference for purely political motives in the units' operations.

Big shift of power

All the Venezuelan efforts have been bent to making as trouble-free as possible the birth of the new State corporation which is heir to oilfields with the capacity for producing almost 4m. barrels of crude a day and of refining more than 1.5m., and to assets such as 6,228 kms of pipeline, 3,059 kms of gas lines, storage capacity for 122m. barrels of crude and 14 oil tankers of 435,000 deadweight tons.

But there is no doubt that behind the facade of normality an enormous shift of power has taken place in which the Venezuelans, while gaining many cards for their hand of poker, have also lost some. It is lost on no one that the industry will be useless to the country if Venezuelans cannot maintain and even improve its present technical efficiency and if they cannot sell abroad the oil that it produces. The State has to move from being the passive recipient of massive amounts of taxes and royalties and become active and efficient in administration and marketing.

In theory at least the foreign oil companies, which until last Wednesday were committed by the size of their investments in Venezuela to the selling of Venezuela's oil abroad, can now relax in the knowledge that with no hostages to profitability in the country they can either take Venezuelan oil or leave it. The Venezuelans know that if the companies leave it the results for Venezuela could be grim.

Assistance offered

They also know that the job of marketing their oil, a large quantity of which goes abroad in refined form from the massive refineries near Lake Maracaibo, is a much more complicated operation than it would be in many other countries where exporting merely means pumping crude into tankers and making sure someone is at the other end to receive it.

As far as technical assistance is concerned the Government, according to President Pérez, has signed deals with the foreign companies which ensure that in any technical emergency which the Venezuelans cannot cope with there will be assistance available from abroad. The deals, however, do not cover the new technology which Venezuela needs to maintain the refineries in the van of technical innovation, nor do they ensure the technology which is needed to make a real start on the large-scale exploitation of the Orinoco tar belt whose reserves of heavy crude make Venezuela, according to the Venezuelans at least, richer in oil than Saudi Arabia.

Exhausting battle

It is the aim of Sr. Hernández to have the tar belt producing 200,000 bbd within the next five years, thus supplying the bulk of domestic demand. That would involve quadrupling the present output of the belt. In the last event the question of technology is much less important than that of marketing. After all, the industry has been run by Venezuelans for many years and the number of expatriates supervising their operations has been minimal—much less than 5 per cent. of the total staff of 23,600 who work in the industry.

It is in marketing that the Gordian knot is to be found. The last few weeks have witnessed a silent but exhausting battle between Petroven, which is the exporter on behalf of all the operating companies, and the international majors on the question of how much Venezuela will be exporting from this month.

Whereas a year ago, under the threat of a world scarcity of oil, the international majors were worrying about whether they would continue to be allowed access to Venezuelan crude, now with the prospects of a glut and a consequent softening of the market it is evident that they have been sitting back and giving the impression that Venezuela could be in danger of drowning in its own recently nationalised oil. A month ago the majors were offering to take only 900,000 barrels a day under the two-year contracts that Petroven was offering which included the provision for a quarterly price revision.

Such a tiny offtake would have produced a grave and immediate financial crisis for the Pérez Government. Now it seems that the offtake has been increased to around 1.5m. barrels a day and thus immediate crisis has been avoided. Nevertheless, Petroven needs contracts for another 500,000 barrels a day if it is to bring in the money required for massive development plans. The Government has said that it will not budge from the OPEC price for crude and will prefer to sell less oil rather than undercut its OPEC partners.

It is no secret that many opponents of OPEC would like to see Venezuela forced to break ranks with its fellow members, but President Pérez last Thursday warned that he would not countenance any move to weaken OPEC. Venezuela has asked for and, it seems, received, a formal assurance from its OPEC colleagues that they will not take over markets from which Venezuela may be forced. The Venezuelan authorities expect that this undertaking will be formalised when the OPEC meeting, interrupted by the Vienna kidnapping, reconvenes in the next few weeks.

Reduced fuel oil price

However, Venezuela has already had to reduce prices of some of its products, notably fuel oil, which are not covered by the common OPEC price. Petroven sales teams are going out to the western hemisphere, Europe and Japan this month in order to seek new markets. Brazil, which is gasping for oil, is seen as an early sales prospect though Petroven does not delude itself that there is any other real market for Venezuelan oil other than the U.S. which takes by far the biggest slice of exports.

Venezuela expects to have a difficult time in the next few months as the strength of its determination to maintain OPEC prices is tested in a falling market. Nevertheless, officials are confident that they can hang on till the next OPEC price adjustment and that by the middle or end of this year an upturn in the world economy will cause demand to recover.

Indeed, some Venezuelans see the difficulties that the country is facing in selling its oil as having a thoroughly tonic effect on the country. One Petroven official remarked to me: "If it had not become obvious that the majors were squeezing us no one here in Venezuela would have believed that the whole nationalisation was not a carve-up plotted by the Government and the foreign oil companies working in cahoots." Others feel that a little crisis is a salutary warning for incorrigible free spenders like the Venezuelans.

International credit

Faced with the problem of a possible falling-off in income and a lack of funds needed to finance development plans, President Pérez made it clear last week that he favours using Venezuela's strong international credit to borrow his way out of trouble. With international reserves of $8.4bn. and a steady future income, he should not have much difficulty in raising the billions that he needs, though this strategy is likely to come under severe criticism from those who do not want to see Venezuela go into hock.

The present situation in Venezuela has a number of lessons for the world at large. The first is that a major oil producing country has again demonstrated that it is well able to absorb the glut of money that it receives. The OPEC surpluses are shrinking by the minute. The second is that the battle continues unabated between OPEC and its adversaries.

MEN AND MATTERS

Moodies' blues

On a day when the main FT index rose less than one per cent., Exchange Telegraph shares were a good market yesterday, finishing 10p up at 83p. Something sad about the rise, though, as it was sparked off by the demise of Moodies Services, best known around the City as the supplier of a card index system telling you most of what you ever wanted to know about individual public companies. The field is now clear for Extel's own very similar and clearly rather more successful service.

John Gwynn, managing director of the U.K. end of Dun and Bradstreet, which has owned Moodies since 1964, thought that the choice of whether to take an Extel or a Moodies service was "rather a question of what you've been brought up with." He claimed modestly that Moodies' cards were a little more detailed, but allowed that Extels' offerings were easier to comprehend in a hurry.

Cards were not Moodies' only product: its 10,000 subscribers (well under half the figure of a few years ago) included firms taking taxation, international bond and European services, and there were also various business handbooks. Eighty of Moodies' 130 staff are being made redundant, but the company is continuing to do printing for Dun and Bradstreet as well as marketing this side of the Atlantic material produced by Moody's of America.

The relationship between Moodies and Moody's is a bit confusing. The American firm came first. An offshoot, also called Moody's, was started in Britain in the dark days of 1929, but had its name changed to Moodies after being taken over by a homegrown group of investors. In completely unconnected moves, the U.S.-based Dun and Bradstreet Inc. bought out Moody's (whose U.S. services include credit ratings on companies for the benefit of new-issue investors), while D and B Limited, a subsidiary of the U.S. group at one remove, bought Moodies.

However, the decline in business activity here has sharply reduced demand for Moodies. The end result, reported Gwynn, was unacceptable losses of £10,000 a month for the last few months.

New career at 55

Just under a year after she joined the Board of Debenhams Sheila Black has announced that she is leaving to join a new company, Interflex. Suspicions of disagreement are dispelled by Miss Black herself, and by the fact that she will remain available to Debenhams in a consultative capacity. The real reason for her departure ("a sad decision") is a potential conflict of interest between her new company and Debenhams.

The attractions of Interflex are two-fold as far as Miss Black is concerned. First she has an "almost fanatical belief" in the concept which the company has been set up to sell—which is a highly sophisticated development of the flexible hours system which allows employees to choose their own working hours providing they put in an agreed total. Secondly Miss Black will have a share in the equity which she says "is not costing a large cash sum although it is large in relation to the investment funds which I have available."

Thus at the age of 55 she is embarking on yet another career to add to the string of past and present interests which have included journalism (13 years with the *Financial Times*) public relations, plus part-time membership of the Price Commission. This latest however is the first in which she will have an entrepreneurial involvement.

The inspiration behind Interflex is a German, Willy Haller, who introduced flexible time working at a company called Hengstler. His ideas, however, were more ambitious than Hengstler was prepared to go along with, and so he left to start up on his own. Interflex is now the No. 1 company offering the concept of flexible hour working plus the hardware to make it work well, and is also successful in France and the U.S. Now Miss Black, together with Ian Greer and John Russell of public relations consultants Russell Greer and Associates, is hoping to put the company on the map in the U.K. They hope to attract retailers, which have large numbers of temporary and part-time staff.

Clocking in

The appointment a year and one week ago of a chief executive for the Stock Exchange should have meant, among other things, that the chairman had more time for policy and less need to grapple with day-to-day management. Which is probably just as well because the new chairman elected yesterday, Nicholas Goodison, has a life packed not just with stockbroking, but also with old clocks, weird barometers, and fine furniture.

The SE itself has been keeping Goodison, now 41, quite busy for some while, notably as chairman of the powerful membership committee. An early favourite to succeed the late Michael Marriott, he had lately slipped behind rivals James Dundas Hamilton and David Le-Roy-Lewis in the betting.

Goodison's grandfather began the family's stockbroking ties in 1893 and uncle Billy was on the Exchange Council when Nicholas Goodison joined the family firm in 1958. He is a sturdy and precise advocate of the free market system, but conversation last night switched easily from that to his outside passions (he has written books on English barometers 1680-1860 and on Matthew Boulton, the Ormolu craftsman) and an approving eye quickly had the elegant chairman's office clock dated around 1800 to 1810.

Timely

Goodison's elevation soon had a topical Stock Exchange quip doing the rounds: One stockbroker saying to another "You know you're getting old when the chairman looks so young."

Observer

SOCIETY TO-DAY

BY JOE ROGALY

The healing hand of Father Time

[TH]E MARKETS are fairly [ch]eerful. The recession could [be] near its bottom. British [in]dustry is less gloomy about [th]e future than it has been at [an]y time since the Arab oil pro[du]cers knocked us all off our [pe]rches in November 1973, [ac]cording to the Financial Times [mo]nthly survey of business [op]inion. The sense of [im]minent doom that hung so [thi]ckly in the air during so much [of] last year no longer feels [qu]ite so oppressive. It does [no]w seem possible that 1976 [ma]y be, shall we say, less bad [tha]n 1975.

Breakdown

[I]t would be unrealistic to [ma]ke too much of this. The [lon]g-term industrial decline [tha]t began at the turn of the [cen]tury, accelerated after the [Sec]ond World War and moved [tow]ards a really top-speed [soc]ial, political and economic [bre]akdown after 1964, does not [see]m likely to come to an end [ver]y soon. Such an historic [tur]naround would surely be [sig]nalled by a perceptible [cha]nge in our national outlook [—a] psychological phenomenon [tha]t cannot be defined but will [be] plain enough if and when it [tak]es place.

[M]eanwhile we shall have to [ma]ke do with whatever [enc]ouragement can be derived [fro]m a small upwards bump in [the] long downwards curve—if [the]re is one. I do not prophesy: [wha]t that follows is simply a [stri]ng-together of such straws [of] hope as are available for [tho]se who wish to begin 1976 in [bet]ter spirits than they endured [in] 1975.

[T]he first is the interesting [app]earance on the scene of [Fat]her Time. He has scythed [man]y part of a generation of Conservative leaders, which means that next time around a Conservative Government, if there is one, may be different in attitude and behaviour from the 1970-74 Government. This can only be an improvement. He is now poised to change the leadership of the Labour Party, which should in all reason be radically altered by, say, the time that North Sea oil starts to flow in quantity.

For by 1978 a third of the present Cabinet will be 65 or over, and nearly two-thirds will be over 60. Mrs. Barbara Castle will be 65 this year, and Mr. Edward Short and Mr. James Callaghan are only a year behind her with both Mr. Michael Foot and Mr. Bob Mellish looking forward to their 63rd birthdays in 1976. Of the lot of them only Mrs. Shirley Williams, Mr. Eric Varley and Mr. John Morris (Secretary for Wales) are in their 40s. All the rest are part of the receding generation—rapidly becoming yesterday's men.

Older men

One interesting by-product of this is the remarkable age of the men appointed to head the new nationalised industries. Lord Ryder, National Enterprise Board, will be 60 this year. Lord Beswick, who will be chairman of the new Aerospace Board, is in his 64th year. Lord Kearton, who gets the oil corporation, will be 65 next month—and Lord Balogh, his most distinguished assistant, will be 71 in November. Sir Ronald Edwards, who has been given the chairmanship of British Leyland, will be 66 in May.

The first deduction to make from these appointments is surely that an ageing Government simply does not know of very many younger men of ability, or, worse, that it finds it difficult to recruit such people (which was certainly true in the case of British Leyland). The second, and this is my primary theme, is that it is now at least possible to look forward to a new generation of politicians, and their appointees, who, one hopes, might avoid some of the grosser mistakes of persons born around the time of the First World War and brought to political consciousness nearly half a century ago.

A by-product of the age-structure of the present Cabinet is the age of the men appointed in the new nationalised industries. Left to right: Sir Ronald Edwards, chairman of British Leyland, will be 66 in May; Lord Ryder, of the National Enterprise Board, who is 59; Lord Kearton, of the State oil corporation, will be 65 next month; and Lord Beswick, chairman of the new Aerospace Board, who is 63.

There are other, possibly firmer, grounds for such a hope. Most of the dottier, or more sinister, items in the Labour manifestoes of 1974 are behind us; the task now is to minimise the damage they may cause. In some cases, like the implementation of the Community Land Act, the squeeze on public expenditure is a weapon in the hands of the rational. Some legislative stragglers remain, but with any luck these might soon get caught up in a Parliament in which the Government no longer controls an absolute majority.

This will depend in large part upon the assiduousness with which Father Time does his work; in any event there is something to clutch at in the idea of a not-too-incompetent Labour administration running day-to-day affairs while being kept in check by a minority position in Parliament.

Seven years

After that (letting optimism run free) the Scottish Nationalists might win 40 seats at a General Election. This would make it impossible for full-blooded ideological Left or Right government to do its worst. The choice would be a coalition, or a minority government led by either major party (it matters little which) and curbed by Parliament. Could this be the beginning of, say, seven years of not-so-bad government?

Such a period is essential if Britain is to consolidate its slow recovery from the social unrest that was first stirred to fever-pitch by the short-sighted actions of the 1970-72 Heath administration and then allowed by Mr. Wilson's administration to boil over in the period between February, 1974 to June, 1975. Readers of this column will be familiar with the proposition that the single most debilitating aspect of the British disease is class conflict; the sad truth about 1970-72 and 1974-75 is that governments of both parties did more to stir up such conflict than any foreign enemy with our national destruction in mind could have dreamed of.

This conflict persists, as is all too clear. It may, however, be abating. The most violent expression of feeling to come from the middle classes last year was the doctors' "industrial action"; this has not found favour with the population as a whole. The most extreme demands of the non-elected "leaders" of the working class, including trade unionists like Mr. Jones and Mr. Scanlon, are no longer heard—in Mr. Jones's case partly because he has joined the Establishment and in Mr. Scanlon's partly because he has no other choice—but in both instances for the more important reason that the rank-and-file, frightened by unemployment, is less inclined to listen to the blandishments of "militants."

There are other straws. In most areas of domestic policy we at least stand a chance of backing away from some of the madder notions that seemed to be predominant when class passions were boiling over. The long inquiry into conditions at William Tyndale school may teach a great many people that what matters in education is not so much whether a school is State or private, grammar or comprehensive — but rather what kind of teaching is practised, and by what kind of teachers. If the William Tyndale inquiry assists a further swing back towards what the profession calls "structure" (that is, having some idea of what the children are supposed to learn) and order in the classrooms, while the pinch on employment encourages teachers to stick it out longer in the schools in which they find themselves, the result could be a quantifiable increase in the number of children who get properly taught.

Housing

When it comes to housing, it is apparent that the day of the bulldozer is drawing to a close. The new fashion is to restore old but perfectly good houses; this is a great step forward. The Government has come to understand the political power of the owner-occupier; this too is an advance. Some members of the Government may be aware that most council tenants would dearly love to own their own homes.

If this does not lead to the obvious conclusion that the Labour Government should encourage the disposal of council houses to sitting tenants then at least we can hope for the election of more Tory or Liberal councils in May; some of these could by this summer be offering such properties at knock-down prices. As for rents, sheer economic circumstance will force these up wherever tenants can afford to pay more. The spirit, if not the letter, of the Conservatives' ill-fated Housing Finance Act is in the air.

There is more. The Rother District Council, at Bexhill-on-Sea, has actually dared to abolish the post of a chief executive whose task, at a five-figure salary, was to "co-ordinate" the work of the local authority. Mr. Nicholas Walsh, the now-redundant chief executive, no doubt tried hard to do a useful job, but that has not saved him from becoming a sacrificial lamb, along with his aide, Mr. Martin Brent. With luck this could be the first step towards a year in which all the new top-heavy local authorities look again at their directors of leisure, and directors of finance, and other highly paid ludicrously titled officials.

Yet the hope must be that many of these posts are abolished (by "natural wastage," if one is to be kindly), since the individual salaries are costly, while the expanded departmental structures and the gargantuan departmental ambitions that in so many cases follow naturally from the acquisition of an inflated title are even more costly.

Let us add it all up. The recession must come to an end some time; there is hope in that. The worst excesses of the Labour Government elected in 1974 are probably behind us, and the personnel of that Government are likely to be on their way out for the rest of this decade. The worst social unrest may be over, for a while at least, and the need to cut government spending is forcing some rather more sensible policies upon our masters.

Looked at this way it amounts to a case for saying that we shall probably go downhill less rapidly over the next year or so. Some incorrigible optimists might even deduce from this that we could be on our way up again.

Letters to the Editor

[C]ompetitive [m]oney

[Fro]m Mr. B. Brown.

[Si]r,—I have followed with [inte]rest Mr. Brittan's recent [arti]cles in favour of freeing [com]petition in money and bank[ing].

There seems to me a way [in w]hich the enterprising can [brea]k out into a free market [with]out waiting for official lift[ing] of controls—which may be [man]y years, if ever. Long-term [loan]s and other contracts could [be] effectively denominated in [doll]ars by indexing interest and [capi]tal payments to the £-$ [exch]ange rate. Such contracts [cou]ld of course be settled by [pay]ment of sterling, and would [not] in any way involve foreign [exch]ange dealings. Long-term [inve]stment in British industry is [a p]rime necessity, yet funds re[mai]n hesitant because of the un[cert]ainty surrounding the [stab]ility of sterling, and the [long]-term loan market continues [to d]ry up.

[T]here would be obvious attrac[tion]s in such foreign currency [inde]xed contracts—whether in [doll]ars, or SDRs, or other money. [Just] as the chemist tries to [u]se the best thermometer in [term]s of reliability, so the [busi]nessman should insert in his [cont]racts the unit of account [that] is most stable. Exchange [cont]rols do not legally enforce [a m]onopoly of sterling's use as [a u]nit of account, and U.K. [resid]ents should make use of [thei]r freedom to choose the most [stab]le monetary unit of account. [Over] long periods of time, such [fore]ign currency escalator [claus]es are likely to be preferred [to p]rice indices, as price index [mov]ements over long periods of [time] have little meaning. This [is b]ecause the composition of [the] shopping basket changes [dram]atically due to the advance [of p]roduct changes.

[Fo]r the buyer of a foreign cur[renc]y indexed bond, it would be [an] opportunity to invest in a [fixe]d interest security, freed [from] the fear arising out of the [weak]ness of the £. The interest [rate] (nominal) on such a U.K. [\$ es]calator bond would be less [than] on U.K. £ denominated [bond]s, and less than similar [quali]ty and maturity "true" [\$ bo]nds issued in the U.S. or [Euro]-bond market. This is be[caus]e U.K. exchange restrictions [have] the effect of maintaining [the] U.K. real rate of return to [inve]stment below that obtain[able] elsewhere. It would be un[reaso]nable in terms of the U.K. [also] for companies to issue $ [bond]s at Euro-$ interest rates, [for] investment in the U.K. [econ]omy. A probable interest [rate] on the $ escalator bond [woul]d be about 5 per cent., given [the p]resent level of the invest[ment] $ premium and its indica[tion] of the real interest rate [diff]erential between the U.S. and [U.]K.

[Th]e advantage to the company [issui]ng the $ escalator bond is [elimi]nation of the anxieties [acco]mpanying £ fixed interest [loan]s. These indexed bonds [woul]d secure long-term borrow[ing] against the hazards arising [from] a slow-down in U.K. infla[tion] and fall in the £ interest [rate]. True there would remain [a r]isk if $ interest rates fell [shar]ply, but the expected vola[tility] of $ interest rates is much [less] because prediction is more [easy] in regarding the long-term [inflat]ion rate in the U.S. than in [U.]K.

[Th]is idea is of course not new. [Escal]ator clauses of this nature [have] been used in France, Fin[land] and Israel, to prevent the [dryin]g up of long-term bond [mark]ets in conditions where [the sta]bility of the domestic currency is low, and foreign exchange restrictions are severe.

B. D. Brown.
39, Chester Terrace, Regents Park, N.W.1.

Economic flotsam

From Mr. N. Travers.

Sir,—Mr. Anthony Harris (January 2) presented a detailed expose of the arguments for indexing Government debt now fashionable in some City circles. But his comment in his last paragraph that "the reasons for considering new types of security have never been so persuasive" squared ill with opening remarks that "inflation is coming down, interest rates can be expected to ease." For present deflationary measures promise to render indexation as much a memory two or three years hence as competition and credit control or the gold standard.

Present forecasting projects a decline in inflation to 5 per cent. or so by mid or late 1978. At that point the credit cost cycle would be back at the point reached early in 1972. Treasury bills would return rather less than half their present yield, and 2½ per cent. Consols would yield perhaps 8 per cent. That return would produce a capital value about 80 per cent. higher than to-day's level. (Parallel movement in the 30 share index yield back to 3 per cent. or so, and maintenance of the average dividend growth rate of the past four years, would push the 30 share index past 825.)

The appreciation would leave indexed growth well behind. Supposing 15 per cent. inflation in 1976, 10 per cent. in 1977, and 5 per cent. in 1978, an indexed bond with a present value of £100 would rise to £133 in 1978—or by rather less than half the potential Consol gain.

Indexation can only penalise investors during deflation—and punish Government as well. Falling interest rates have already reduced debt costs to the point where money borrowed a year ago can be rolled over considerably more cheaply to-day, further reductions can only increase the saving.

Deflation could also be expected to benefit sterling, and a return to the levels of three and a half years ago would bring an appreciation of 25 per cent. or more. Such a rise would substantially reduce the sterling cost of foreign debt redemption. The authorities would need to borrow less to service less and redeem less—and Mr. Harris stressed the importance of debt service in the make-up of the public sector borrowing requirement—rather than borrow more to redeem more.

Economic recovery could only make indexation a half-forgotten aberration, part of the flotsam left at the high watermark of a near disastrous economic flood-tide.

Nicolas Travers
Birchfield Cottage, Middle Green, Slough.

Production management

From Professor Ray Wild

Sir,—There is, surely, general agreement on the need to improve management of production in the U.K. Numerous activities will hopefully now result. Academics will have a part to play in such activities, and one necessary development must be the improvement of teaching and research in production management. Such improvement will not be brought about solely by the efforts of academics. Academics and their educational establishments will require government and industry collaboration, encouragement and assistance. A variety of approaches must be tried.

Whatever the approach, however, industry must seek to secure a major involvement. Manufacturing organisations must establish effective customer relationships with educational establishments in respect of teaching and research in production management. Additionally, such organisations might stimulate the development of production management by establishing closer links with educational establishments through, for example, staff exchanges, joint appointments, the appointment of production management academics to company boards and the provision of facilities for research, particularly action research.

Production management as a subject or field of education is in need of new concepts, ideas and initiatives. The ultimate beneficiaries of such developments are manufacturing organisations. Such organisations should act *now* to ensure such developments do in fact occur.

Ray Wild
The Administrative Staff College.
Greenlands, Henley-on-Thames, Oxfordshire.

Employee shares

From Mr. W. Grey.

Sir,—The plan for workers to buy shares in the British Steel Corporation as a contribution towards solving BSC's financial crisis—described by your own reporters (December 29) as "revolutionary"—is notable for two other reasons beyond those already mentioned by Mr. George Copeman (January 5).

It is, I believe, the first time that such a plan has been actively sponsored in this country by the trade union side, whose lukewarm interest in the idea of workers being remunerated partly out of a share in their own company's profits has been one of the main obstacles to progress in the past.

It also appears to be the first time that, again following what is already the practice in some countries abroad, such a scheme has been proposed here by either side for a company in the public sector.

The pity is that, as Mr. Copeman noted, this initiative has, not for the first time, had to be taken in an atmosphere of crisis—although even death-bed repentance is to be welcomed—and that the Government's industrial policy, for all its new-found interest in higher profits, still seems to regard the incentive benefit of profit-sharing as a postponable luxury.

W. Grey.
12, Arden Road, Finchley, N.3.

Cutting losses

From Mr. A. Unsworth

Sir,—Your issue of December 31 is rather like Comic Cuts in the 1920s. The page 1 headline reads "Opportunities in 1976" by the Chancellor of the Exchequer. Half-way down there is a heading "BSC to cut 44,000 jobs as losses top £8m. a week." On the back page this item is continued but at the top of the page the heading is "Wilson's message to the Labour Party: Bottom of Recession Reached."

Analysing the figures in the British Steel Corporation article, a loss of £8.4m. a week = £436.8m. a year = £8/head of the total population, or £17.6/head of the working population per annum. BSC has 220,000 workers and the losses work out at £38/worker/week, or £1,976/worker/year. Now, it is suggested that 44,000 will lose their jobs, that is 20 per cent. If the average wage is £3,000 per annum this will save £132m. a year, leaving a deficit of £304.8m. If the average wage is £6,000 per annum the saving on a loss of 44,000 jobs is £264m., leaving a deficit of £172.8m.

In order that BSC breaks even, assuming an average wage of £3,000 per annum, it will be necessary to reduce the workforce by 145,600, that is by 66 per cent., but only by 33 per cent. if the average wage is £6,000 per annum. £60m. was lost through strikes in 1975 but this only works out at £272/employee that is 14 per cent. of the loss expected per employee in 1976.

A. K. Unsworth.
1, Court Downs Road, Beckenham, Kent.

Parents' choice

From the Chairman, Friends of the Education Voucher Experiment.

Sir,—Michael Dixon (Bidding for a New School Curriculum, January 3) makes an interesting addition to the education voucher discussion by suggesting that parents, with the power to choose schools would push the education system into becoming more academic whereas the country needs to develop non-academic curricula for a wide variety of jobs requiring sociability and enterprise.

No voucher proponent will dissent from the need to develop each child's talents, wherever they lie. But this is a job which a parent can do better by fitting a school to a child rather than local education authority practice of making the child fit the school (or not, as the case may be).

The reason parents probably would opt for an academic school if they had a chance, is that they do not want their children's life chances, whether in white- or blue-collar work, hampered by inability to express themselves in written English and to make simple mathematical calculations. Most would add some knowledge of history and geography, Shakespeare and the Bible. Most think that an academic programme means that higher standards of behaviour are exacted.

The middle class has required schools to educate their children, *even those of average ability*, at least to O level standards. It is remarkable how successful teachers in independent schools have been in meeting this challenge, and I must agree with Mr. Dixon that parents with vouchers would soon be requiring similar performances from State schools. I also agree that some children who have achieved a basic education by, say, fourteen could benefit by two years in carefully designed vocational education. But Mr. Dixon does not see that parents would use their vouchers in a school offering this curriculum if it improved their children's job opportunities. Such courses would have a better chance of success, and of being value for taxpayers' money, if chosen by children and parents themselves.

Marjorie Seldon.
The Thatched Cottage, Godden Green, Sevenoaks, Kent.

To-day's Events

GENERAL
Interim committee meeting of International Monetary Fund begins, Kingston, Jamaica.
British Medical Association sends out ballot forms to consultants asking whether they wish to accept Government's compromise proposals on private practice or resign from NHS.
Mrs. Barbara Castle, Social Services Secretary, on Middle East tour to launch export drive for British hospital designs and equipment.
Mr. Yigal Allon, Israeli Foreign Minister, begins three days of talks in Washington.
Mrs. Margaret Thatcher, Opposition leader, leaves for four-day visit to Egypt.

COMPANY RESULTS
Brown and Tawse (half-year).
Howden Group (half-year).
McCorquodale (full year).

COMPANY MEETING
Fenner (J. H.), Leeds, 2.30.

EXHIBITIONS
Mr. Fred Mulley, Education Secretary, opens Exhibition of Thracian Treasures from Bulgaria, British Museum.
International Boat Show, Earls Court.
Camping and Caravan Exhibition, Olympia.

OPERA
Royal Opera production of L'Elisir d'Amore, Covent Garden, W.C.2, 7.30 p.m.
English National Opera production of The Valkyrie, Coliseum Theatre, W.C.2, 5.30 p.m.

MUSIC
Viennese Night: Royal Philharmonic Orchestra, Bands of Scots and Welsh Guards and Musketeers of Royal Artillery, conductor Vilem Tausky, play works by Mozart, Strauss, and Suppé, also Beethoven's Battle Symphony, Royal Abert Hall, S.W.7, 7.30 p.m.
London Mozart Players, conductor Isaac Karabtchevsky, plays works by J. S. Bach, C. P. E. Bach, Falla, Handel, and Ravel, Queen Elizabeth Hall, S.E.1, 7.45 p.m.
Alan Bailey-Fitzgerald (bass-baritone) and Paul Hamburger (piano) perform works by Schubert, Schumann, Duparc, Butterworth, and Finzi, Wigmore Hall, W.1, 7.30 p.m.

SPORT
Rugby Union: Newport v. Australians, Newport.

COMPANY NEWS + COMMENT

Wilkinson Match sees better year

HAVING PASSED through a difficult period, the directors of Wilkinson Match say that an improvement in current year profits can now be expected, compared with the depressed £7.77m. pre-tax balance reported for 1974/75.

Those results were struck after a turnround of some £2¾m. to a loss of £½m. at the operating level in the results of the wood chipboard, lumber and plywood divisions—these have now been disposed of.

With the completion of the Eddy Match transaction resulting in the sale of the steel office furniture business in Canada during the six months ended September 30, 1975, the group has largely completed its policy of concentrating resources. Liquidity is good.

In the first six months turnover emerged marginally ahead at £72.23m. compared with £71.62m., while profits moved up from £4.52m. to £4.8m. The directors point out that increased sales have more than compensated for the disposal of the wood interests.

The profit for the half year ended September 1974 was struck after losses of £516,000 incurred by the wood-chipboard lumber and plywood divisions while applicable turnover included in the group figure was £5.81m.

Providing for tax and minorities the attributable balance emerged at £1.92m. compared with £1.76m. Basic earnings per £1 share are stated at 8.43p (7.73p) and fully diluted at 8.03p (7.44p).

The interim dividend is raised from 2.88435p to 3.07807p net—for the previous year a total of 6.89403p was paid from basic earnings of 14.38p.

	Six months 1975 £000	1974 £000	Year 1974-75 £000
Turnover:			
Matches	28.749	24.565	52.967
Personal products	14,111	13.713	27.199
Safety and protection	8.785	7.171	15.151
Tools & hardware	3.160	2.813	6.113
Printing and packaging	6.945	7.514	15.591
Engineering and other	10.480	10.023	19.862
Wood chipboard	—	4.737	7.200
Lumber and plywood	—	1.019	957
Total	72,230	71,616	145,156
Operating profit:			
Matches	3.703	2.908	5.305
Personal products	1,741	2.192	3.280
Safety and protection	719	403	984
Tools and hardware loss	1	*28	*72
Printing and packaging	547	1.082	2.269
Engineering and other loss	194	*20	309
Wood chipboard loss	—	465	446
Lumber and plywood loss	—	51	51
Total	6,515	6,115	11,110
Interest	1.712	1.592	3.344
Profit before tax	4,803	4,523	7.766
U.K. tax	503	417	†358
Overseas tax	1.950	1.916	3.925
Net profit	2.350	2.190	4.197
Minorities	432	428	916
Attributable	1.918	1,762	3.281

* Profit. † Credit.

An analysis of turnover by area shows (£000's omitted): U.K. £28,427 (£29,909); Western Hemisphere £21,921 (£20,464); Europe £6,783 (£6,132); Africa and Middle East £7,798 (£7,755); and Pacific £7,299 (£7,356). Operating profit is split as follows: U.K. £2,574 (£1,781); Western Hemisphere £1,265 (£1,575); Europe £1,025 (£715); Africa and Middle East £1,229 (£1,566); and Pacific £422 (£478).

Statement, Page 9
See Lex

HIGHLIGHTS

Wilkinson Match (covered in Lex) has recovered from the setbacks of the previous year which together with some loss eliminations and a big advance in matches have enabled the company to overcome difficulties in razor blades and printing and packaging. The expected upturn in the J. F. Nash financial division has materialised and overall profits are almost doubled, while overseas contracts has helped to push Newall Machines's first-half profits up by some 7 per cent. but there are doubts about the current six months.

Sharp rise at Newall midway

Current trading and the level of orders at Newall Machine Tool are "depressed" say the directors and indications are that second half results are "unlikely to be as good" as the first, which show pre-tax profit ahead from £38,000 to £140,000. For the full year to March 31, 1975 the figure was £169,000.

There is again no dividend. There have been no payments since 1971.

	Half-year 1975 £	1974 £
Profit before tax	140,000	38,000
Taxation*	20,000	1.000
Net profit	120.000	37.000
Minority interest	2.000	—
Extraordinary debit	—	33.000
Attributable	118.000	4.000

* Current and deferred.

● comment

Automotive machine tool contracts for Korea and Spain have left Newall's pre-tax profits 7 per cent. ahead on the previous six months and further deliveries to Germany and France are scheduled for the second half. However, order rates have continued to lag behind output and this casts a shadow over the present improved trend in profits. Elsewhere, in optical components, electronics and general engineering (accounting for about 45 per cent. of group activity) the position is more stable. Borrowings have fallen from end-year levels of £1.6m. (compared with shareholders' funds of £1.3m.) on the back of improved pace of shipments and advance payments but the need to devote resources to capital investment at some stage would tend to hinder any resumption of dividend payments; the last was in 1971. The shares rose 1p to 7¼p last night compared with a 1975 low of 3½p and a net asset value of 17p.

£0.26m. growth by Wessex Finance

Wessex Finance Corporation, the car hire purchase offshoot of Ranks Hovis McDougall, reports group pre-tax profits up from £738,000 to a record £1m. for the year ended August 30, 1975, after heavier interest charges of £1.83m. against £1.34m. Turnover showed a reduction from £21.48m. to £19m.

Explaining the drop in turnover, chairman Mr. P. N. Grice says the year was again a difficult one for those operating in the consumer credit industry. As a company specialising in motor credit Wessex was affected by the lower level of vehicle sales in 1975. In addition, the group felt it financially prudent to restrict the availability of funds in the early part of the year due to the general economic situation.

Of the future, the chairman says that having regard to the economic outlook, it would seem unlikely that turnover in the current year will match that of 1975 unless there is a marked upward swing in demand during the spring and summer of 1976.

Should the economic situation improve, however, the company is in a position to take full advantage of any increase in the market.

The balance sheet shows that the amount outstanding under instalment credit agreements at August 30 was £22.83m. compared with £23.45 a year earlier. There was a balance due to bankers of £12.83m. (£13.15m.).

Downturn for British Cinematograph

Profits of British Cinematograph Cinemas in the current year will fall short of the record £127,268 reported for 1974-75, state the directors in their interim report.

In the first six months profits show a reduction from £76,354 to £59,199—subject to tax of £31,550 (£40,450)—on a turnover of £1.19m. compared with £0.83m. This decline has continued into the second half, members are told.

However, the group remains in a strong financial position and is well placed to take advantage of any upturn in the economy.

Advance to £0.52m. at J. F. Nash

IN THE year to September 30, turnover of J. F. Nash Securities rose from £9.99m. to £10.7m. and pre-tax profits expanded from £0.28m. to £0.52m.

Financial activities contributed £177,000 (loss £75,000) to profits and commercial activities £700,000 (£635,000) while interest charges in respect of investments in subsidiaries absorbed £357,000 (£285,000).

The directors say that the group should be able to at least maintain its level of profitability in the current year.

Full-year earnings are shown to have risen from 4.74p to 11.98p per 25p share and the dividend total is lifted from 3.95p to the maximum permitted 4.215p net with a final payment of 2.465p.

	1974-75 £	1973-74 £
Turnover	10,701,640	9,986,452
Operating profit	541,912	350,460
Minorities	19.807	34.735
Pre-acquisition profits	1.617	40,349
Profit before tax	520,489	275,356
Tax	118,994	116,042
Net profit	401,495	159,314
Extraordinary debits	6,184	76,228
Leaving	395,311	83,086
Preference dividend	1.400	1.400
Ordinary*	106.570	68.482
Retained	287.341	13.204

* Comprises interim £56,430 (£56,340), proposed final £82,302 (£73,342) less waived by Mr. J. F. Nash on 1,800,000 shares interim and 250,000 shares final £34,162 (£63,200).

● comment

A higher level of activity indicated for the second half by Nash in the financial division, has materialised with a profit of £0.2m. leaving the annual figure for these activities at £0.18m.—a turnround of £0.25m. over the previous year. Profits from commercial activities have improved by a tenth, including a rise from caravan distributors, the Gailey Group, despite the imposition of 25 per cent. VAT on touring caravans which on top of an already unexciting sales picture led to a very quiet May to July period. Elsewhere, the holiday park operations benefited from the long dry summer. Interest charges have risen by about 10 per cent. to £775,000, but borrowings are now slightly lower than a year ago when at £5.4m. they were supported by just £1.1m. of ordinary shareholders' funds ex-goodwill. The shares put on 5p to 49p yesterday where the market capitalisation of £1.63m. is slightly more than double the low point over the past year, and the yield of 14 per cent. is covered 2.8 times.

LONDON AUSTLN. PENSION UNIT

Net value of the London Australian Pension Unit Trust stood at £1.49m. on October 5, 1975, compared with £0.84m. a year earlier. During the year the issue price of units had risen by 62.4 per cent. from £587 to £953. Established three years ago the trust is an authorised unit trust which enables approved U.K. pension funds to invest in the Australian stock market.

Mr. O. H. Edwards of Cadbury Schweppes Pension Fund was appointed to the management committee on December 1, and Mr. V. G. Browne of Joseph Lucas Industries Pension Fund has retired from the committee.

Celestion fall in six months

Pre-tax profit of Celestion Industries, manufacturers of sound reproduction equipment and clothing, declined from £153,862 to £103,400 during the half-year to September 30, 1975. For the full year 1974/5 the figure was £359,785.

The directors say that although they do not expect to achieve the record £0.54m. made two years ago, they do anticipate "a reasonably satisfactory outcome" to the current year.

Stated earnings per 5p share are down from 0.53p to 0.36p. Normal practice is to announce a single dividend in July. Last year's payment was 0.3547p net.

	Half year 1975 £	1974 £
Turnover	3,515,563	3,364,300
Stock gain	29,500	—
Interest received	17,800	6,300
Dividends received*	12,309	11.162
Pre-tax profits	103,400	153,862
Tax	26,800	45.662
Net profit	76.600	108.200

* From quoted investments.

● comment

Excluding the exceptional stock gain Celestion's first half profits are 52½ per cent. lower, pre-tax, reflecting a continuation of the sales slump which hit the group last year. The volume decline was felt equally in both the clothing and sound reproduction equipment divisions, though a sharper margin decline at the former has evened out the previous year's profits split of 66:34. In the second six months the group should see a small contribution from the recently acquired Bonsoir and Celestion is also hoping to achieve some improvement in margins by increasing selectivity in selling. However, with the market share in both divisions still being squeezed by competition from overseas it is doubtful whether the group will be able to make up all of the ground lost in the first half. The shares at 10½p are yielding a historic 5.2 per cent.

£54,000 rise for Baker's Stores

THE RECORD profit forecast for Baker's Household Stores (Leeds) turns out to be £155,915 in the year ended September 27, 1975, compared with £102,152, after an advance from £57,372 to £81,153 in the first half.

The first three months to Christmas of the current year has been "very encouraging", showing a satisfactory increase in turnover and profitability, and Mr. B. Baker, chairman, hopes that the economic situation is contained in order that the company may look forward "to another record year."

Stated earnings are up from 2p to 3.42p per 10p share and dividend total is 0.69p net (0.6468p), with a final of 0.365p. Entitlement to dividends have been waived in respect of 0.73m. shares.

	1974-75 £	1973-74 £
Turnover	1.676.332	1.303.855
Pre-tax profit	155,915	*102,152
U.K. tax	87.604	62.178
Net profit	68.311	39.974
Ord. dividends	9.422	12.938

* Includes £5,081 profit on sale of lease.

One new store was opened towards the end of the period under review, a second new store was opened in the second week of the current year, and a further new store will be opened in Spring 1976, bringing the total number of branches to 14.

With ample liquid resources, the directors are very actively looking to acquire additional branches, and so enable the company to go for further substantial growth.

Freddie Mansfield

Mr. Denys Randolph, chairman of Wilkinson Match.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Bakers Stores	0.37	—	0.35	0.69	0.65
Bertrams	1.1	—	1.25	1.85	1.75
McMullen and Sons	3.65	Feb. 24	3.1	4.9	4.05
Milbury ....int.	0.7	—	—	—	1.92
J. F. Nash	2.47	Feb. 18	2.2	4.22	3.95
H. Samuel ....int.	1	Jan 30	0.58(a)*	—	4.83*
Wilkinson Match ....int.	3.08	—	2.88	—	6.89
Winterbottom	1.93	March 4	1.75	3.5	3.33

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Increase does not indicate total for year. Intended to pay same total as 1974-75.

Winterbottom profit held

Revenue, before tax, of Winterbottom Trust was almost unchanged at £324,191 in the year to November 30, 1975, compared with £322,615, after a decline from £166,220 to £135,954 in the first half. Investment income for the year was £519,910, against £581,504.

Earnings per 25p share are shown to be 3.75p (3.92p) and the dividend total is raised from 3.325p to 3.5p, with a final of 1.925p.

At year-end asset value per share was 202½p (104½p) after deducting prior charges at par. Total net assets, including investments at market value, were £12.3m. (£7.94m.).

McMullen turns in peak £1m.

AFTER RISING from £377,000 to £491,000 in the first half, pre-tax profits of Hertford brewers McMullen and Sons (a "close" company) finished the year to September 27, 1975 up from £836,457 to a record £1,046,232.

Earnings are shown to be up from £17.97p to £28.45 per 25p share and the dividend is lifted from 4.05p to 4.9p net with a final of 3.65p.

	1974-75 £	1973-74 £
Turnover	7.994.379	6,327,386
Pre-tax profits	1,046,232	836,457
Tax	334,691	444,382
Deferred tax	208,500	67,000
Net profits	503,041	324,575
Extraord. profits	102,427	2,010,541
Attributable	605,468	2,334,416

Also proposed is a scrip issue of four Ordinary and one new £1 Preference share—carrying the same rights as existing Preference shares—for every four Ordinary held.

NEW LIFE BUSINESS

National Provident record bonuses

BY ERIC SHORT

The National Provident Institution has declared record levels of reversionary bonus for the three years to December 31, 1975. The new rates are £1.25 per cent. per annum above those declared previously, being £6.25 per cent. per annum of the sum assured for whole life policies, £5.75 per cent. for endowments maturing at age 70 or over, £5.50 per cent. at 65, £5.25 per cent. at 60 and £5.00 per cent. for endowment maturing at 50 or less.

The company has also increased its rate or terminal bonus to a record £2.50 per cent. of sum assured (1974 rate £2) for each policy year up to and including 1969, with a maximum of 46 years payment. NPI was one of the few life companies that maintained its terminal bonus in 1975.

Record rates are also announced for its self-employed retirement plan. The reversionary bonus is increased to £6.00 per cent. per annum compound (£4.50). Terminal bonuses are paid at the same rate as for life business. Bonus interest of 5 per cent. per annum will be payable on the capital pension plan and the visible growth fund pension contracts which when added to the guaranteed interest rate of 6 per cent. per annum means that interest at 11 per cent. per annum will be added to the deposit accounts.

There are two changes in the bonus policy. The first is that in future bonuses will be declared annually rather than every three years. But since the present system is based on the sum assured only this will make very little difference to existing policies. The second change is that from January 1, NPI is marketing a new series of with-profit policies where the bonus will be on a compound basis, that is based on the sum assured and attaching bonuses.

The first declaration under this new series will be made at December 31, 1976 and as present the interim bonus rate will be £4.25 per cent. The new series has a new set of premium rates and the old with-profit system is closed to new business. The present intention of NPI is that no terminal bonus will be paid on this new series, but this policy will be reviewed in the light of future investment conditions.

COMMERCIAL UNION ASSURANCE—Net new life assurance annual premiums £19.3m. (£16.4m.) while single premiums £2.3m. (£2.5m.). New life sums assured, net of reassurances, exceeded £1,314m. (£1,471m.). New annuities per annum £84.3m. (£80.6m.). New annual premiums for annuities, including group schemes, £12.9m. (£10.6m.); single premiums and considerations £26.3m. (£27.8m.)

EAGLE STAR GROUP—Net new amounts assured in U.K. £555m. (£357m.), including £237m. (£148m.) in respect of capitalised value of deferred annuities. Worldwide net new amounts assured £656m. (£419m.). New premium income U.K. £9.06m. (£8.77m.), including overseas, it was £10.57m. (£7.61m.). Total new single premiums and consideration for immediate annuities £25.07m. (£24.85m.), arising almost entirely in U.K.

FRIENDS' PROVIDENT LIFE OFFICE—New sums assured £701.6m. (£454.6m.); new annuities per annum £34.8m. (£23.2m.); new permanent health insurance sums insured per annum £23.8m. (£17.7m.); new annual premiums £13m. (£8.6m.); and new single premiums £4.8m. (£4.1m.).

LEGAL AND GENERAL ASSURANCE SOCIETY—New premiums in 1975 totalled £81.5m. (£54m.). U.K. company pensions and group life business accounted for £59.9m. (£37.1m.). Mr. Ron Peet, chief executive, said the record pensions figure included one exceptionally large scheme, and there was no expectation of matching this record in 1976. New premiums from pensions business abroad accounted for £5.2m. (£4.1m.). The bulk of this business arose in Australia and South Africa. Individual new life business produced £10.5m. (£8.2m.) in the U.K., and £5.9m. (£4.6m.) abroad.

MEDICAL SICKNESS ANNUITY AND LIFE ASSURANCE—Bonuses on life assurance policies improved. For participating life assurance policies in force on December 31, 1975, rate of reversionary bonus will be £4 per cent. of the sum assured plus £1 per cent. of the existing bonuses. This introduces a compound element favourable to longer-term policyholders.

Terminal bonus of 30 per cent. of all existing bonuses will also be allotted to policies becoming claims in 1976, an increase of one-third compared with the terminal bonus last year. Rates of bonus declared on sickness and accident policies and on personal pension policies will be maintained.

Personal pension policies vesting in 1976 will also receive vesting bonuses equal to 30 per cent. of the pension including bonuses.

NATIONAL PROVIDENT INSTITUTION—New annual premiums £6m. (up 58 per cent.). Single premiums for assurances and annuities £3.2m. (ahead 189 per cent.). New sums assured £136.6m. (up 69 per cent.).

NORWICH UNION LIFE—Total worldwide new annual premiums £25.6m. (£21.5m.). Total single premiums £11.2m. (£8.9m.). Sums insured under new life insurance contracts £1,199m. (£895m.). Pensions business new annual premiums £16.6m. (£11.6m.). In U.K. new annual premiums totalled £21m. (£16.2m.).

PROVIDENT LIFE ASSOCIATION OF LONDON—New annual premiums £2.47m. (£1.53m.) and new single premiums £685,000 (£298,000). These secured new sums assured of £156m. (£74.2m.) and new annuities per annum £1.15m. (£694,000).

IN BRIEF

HIDONG ESTATE—For half-year September 30, 1975, profit $Ma63,526 ($Ma109,050) before tax $Ma16,500 ($Ma46,805). Overall prospects for second half are bright, Board states.

PRINCE OF WALES HOTELS—No interim (same). Turnover half-year to June 30, 1975, £934,499 (£780,503). Pre-tax loss £18,002 (profit £1,426). Tax nil (£741). There has been a strong recovery in the second half and Board anticipates a reasonable profit for the full year.

BIDS AND DEALS

Chas. Hurst 25p for Thompson-Reid

TERMS HAVE been agreed for an offer to be made by Charles Hurst, vehicle distributors and automobile engineers, for the entire capital of Thompson-Reid, which operates in a similar field.

Terms for the Ordinary are: For every two Reid Ordinary one Hurst Ordinary or 25p cash per share; 5¼ per cent. Preference holders are offered one Hurst Ordinary or 50p in cash per £1 share. Yesterday Reid Ordinary closed 7p higher at 22p.

The offer places a value of £870,000 on the 2.9m. Reid Ordinary shares based on the quoted market price of 60p for each Hurst Ordinary prior to the bid announcement.

The directors of Hurst and Reid forecast that profits before tax for 1975 will rise to a minimum of £650,000 and £255,000 respectively, compared with £537,000 and £159,000 for 1974.

Reid will pay on or before April 9 a special interim of 0.65p net. The new shares will not rank for the Hurst final for 1975.

The offers are subject to the agreement of the major suppliers to both companies to continuation of franchise arrangements. Following discussions, the directors are confident that formal approval will be obtained.

It is possible that due to rationalisation resulting from the acquisition certain property assets of either company may be disposed of in the future.

The directors of Reid recommend holders to accept the offer and intend acceptance in respect of their own shareholding of 1,661,543 Ordinary shares and £21,197 Preference shares.

Upon the offers becoming unconditional, Mr. G. P. C. Thompson, Mr. J. L. C. Thompson and Mr. W. H. C. M. Fitz-Simons will be invited to join the Hurst Board.

GRAYSTON GROUP

Grayston Group has acquired, through its subsidiary, J. G. Van Loenhout BV, the capital of W. F. v.d. Vorst En Zn. BV, which is situated at Helmond near Eindhoven. This company has a comprehensive fleet of telescopic cranes of up to 50-ton capacity.

This enables Grayston to extend its already considerable crane hire activities in Holland and represents its third acquisition in Europe over the last three years.

BOWATER IN TALKS TO SELL CATHAY SECURITIES

BOWATER CORPORATION has received "preliminary" approaches which could lead to a possible purchase offer for one of its Hong Kong subsidiaries, Cathay Securities. Bowater named neither of the approaching "parties" nor the amounts involved.

Cathay, which has property and shipping interests and in which Bowater holds a stake of "about 70 per cent." came in the Bowater business when it acquired Ralli International in 1972. Cathay has had as chairman both Mr. Malcolm Horsman and Mr. Alastair Goodlad, Conservative MP for Nothwich.

Last month, Bowater said that it might sell most of the financial operations of its Ralli subsidiary, although subsequently it would be expending Ralli's commodity broking and merchanting businesses.

It also confirmed that it is undertaking an inquiry into share and option dealings involving Mr. Horsman and Mr. Goodlad.

Word of the announcement about the possible sale of Cathay leaked out before the Exchanges made the news official and Cathay's share price has increased by close to 43 per cent. in the past two days.

A spokesman for the merchant bank appointed by Cathay, Mr. W. F. Bishoff of Schroders and Chartered, said that the vague announcement was necessary to protect minority shareholders: "We would have preferred a cut and dried statement but we had to give some idea of why the price rose so sharply yesterday." Mr. N. R. Macandrew of Schroders and Chartered said that Cathay has net assets of roughly $HK100m. (£10m.) over its outstanding loans of $HK105m.

The share price moved to $HK1.60 with the news giving a market capitalisation of approximately $HK94m.

SWIRE ACQUIRES PETROCON STAKE

John Swire and Sons has acquired 750,000 Ordinary Petrocon Group shares, amounting to 14.06 per cent. of the equity, at a price of, or equivalent to, 108.45p a share cum dividend. The shares have been acquired from Mr. Peter Hodgson (Petrocon chairman and group managing director), Mr. Jim Pound (Petrocon group managing director) and their family trusts who will continue to retain a combined interest in about 677,000 shares.

Mr. H. J. Browne, of John Swire, is to join the Board of Petrocon as a non-executive director.

Commenting on the purchase, Mr. Peter Hodgson says he welcomed this further link with the Swire Group. In July 1975, Swire Pacific of Hong Kong and Petrocon announced the formation of a joint company, called Swire Petrocon (Hong Kong), to provide a range of technical services to the oil exploration and production industry in South East Asia.

JOVE TRUST

Jove Investment Trust has received notice from Preferential Growth Trust that as a result of the sale of 834,300 income shares of Jove, Preferential is now no longer interested in more than one-tenth of the nominal value of income shares.

Notice has also been received from London Trust that as a result of its purchase of 900,000 income shares, its holding in Jove now represents 24.7 per cent. of the nominal value of income shares, 12.35 per cent. of the voting rights and 20.59 per cent. of the total nominal value of the capital.

GUS EXPANDS IN EUROPE

Great Universal Stores has acquired a controlling interest in a specialist clothing store trading as "Piccadilly" in the centre of Lyons.

The premises will be enlarged and completely refitted to stock men's and women's clothing and outfitting, mainly exported from this country. It will contain Burberry and Scotch House departments.

ISLE OF MAN STEAM

The Isle of Man Steam Packet has been notified by Isle of Man Government Treasurer that the Government has acquired more of the company's stock so that its total holding is £203,757 (13.58 per cent.).

The company is informed that the action by the Government is designed to protect the company from a takeover by any possible outside source.

ASSOCIATES DEALS

J. Henry Schroder Wagg on January 2 bought 25,000 Halford Shead assented at 308½p on behalf of associates.

Fergusson Bros. of South Africa has bought on behalf of a managed account 500 South African Distilleries at 530 cents.

Similar outcome seen by MAM

ASSUMING no further deterioration in the general economic trend, the directors of Management Agency and Music reasonably foresee the maintenance of last year's level of profits, after providing for the first time the cost of the new pension scheme, says Mr. Gordon Mills, chairman, in his annual statement.

As reported on December 9, profit before tax rose slightly from £1.9m. to £1.98m. during the year ended July 31, 1975, and dividends are being raised from 5.025p to 5.2p net. An analysis of pre-tax profit shows £1.47m. (£1.85m.) came from record and music publishing royalties, fees, etc., £0.47m. (£0.17m.) from juke boxes and amusement machines and £36,893 (£115,586 loss) from interest and dividends and the sale of quoted securities.

During the year the appearances of Tom Jones and Engelbert Humperdinck have been concentrated overseas, particularly in the U.S., where their substantial earning power can be utilised to the best interests of the company.

The record company has again been profitable but has suffered a substantial reduction in earnings in comparison with the very high level achieved in the previous year. This is, in the main, directly attributable to the lack of a major hit record during the year by Gilbert O'Sullivan.

The profits from music publishing have continued to improve during the past year and now make a very significant contribution to profits. The company again had an extremely active year in the fields of agency and promotion. Despite increased activity, the profits for the year fell to a "disappointing" level.

A statement of source and application of funds shows an increase in liquid funds of £254,490.

Meeting, Hendon Hall Hotel, N.W., January 28, noon.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims—[illegible]

Finals—[illegible]

FUTURE DATES

Interims—

Crouch Group	Jan. 13
Dewhurst	Jan. [illegible]
Henderson-Kenton	Jan. [illegible]
Hogg Robinson	Jan. [illegible]
Kircher	Jan. [illegible]
Ratners	Jan. [illegible]
Thorn Electrical Industries	Jan. [illegible]

Finals—

Gough Cooper	Jan. [illegible]
Jacobs John I.	Jan. [illegible]
Vosper Thornycroft	Jan. [illegible]

Bertrams exceeds £300,000

BEFORE TAX of £162,356, against £59,080, profit of Bertrams doubled from £150,493 to a record £303,224 during the year ended September 28, 1975, after being ahead from £43,000 to £125,000 at half-way.

Final dividend is 1.1p net, per 25p share giving an increased total of 1.85p (1.75p), the maximum allowed.

The company makes machinery for the paper and board industry, and produces castings for the engineering and shipbuilding industries.

Davenports Brewery sales prospects

IT WILL be difficult to maintain the rate of increase in sales volume at Davenports Brewery (Holdings) as continuing inflation and rising unemployment take their effect, states the chairman, Mr. J. G. Swanson, in his annual statement.

Cost in all sectors continue to rise steeply, particularly wages and employees' benefits, including the pension scheme introduced last April. The full impact of these increases remains to be felt, he adds.

Increase in the volume of beers produced has resulted in brewing resources being thereby increasingly utilised, vindicating the company's policy of prudently expanding capacity in advance of trade. The high speed canning-line, commissioned in November 1973, greatly increased turnover during the year 1974-75, and over the next few months a new fully automated high speed bottling line will be installed.

As known, pre-tax profit advanced from £0.94m. to £1.19m. during the year to September 30, 1975, and dividends are up from 2.11p to 2.232p net.

The directors have kept a careful control over cash flow in that bank borrowings, including term loan facilities, have decreased compared with last year, and the financing of the increase in net current assets, to support increased trade, has been accomplished from profit sources.

There was a gratifying increase in the trade of all sections, in the main due to management policies which have placed selling outlets in a position to reap maximum advantage from a favourable summer.

Capital investment and the planned programme over the years of improving licensed houses "have proved their worth."

At September 30, 1975, the aggregate amount of capital expenditure authorised and not provided for in the accounts was £1.04m. (£1.17m.)—of this contracts had been placed for £0.6m. (£0.4m.).

A statement of source and application of funds shows an improvement of £0.4m. (£0.9m. reduction) in bank and cash balances.

guidance of Allied Director, Mr. Jasper Olivier, who will be resident in Hong Kong.

Allied Hambro Pacific

The Allied Hambro group of unit trusts has relaunched a fund taken over from First National Finance group in July, 1975 (called First National Growth Unit Trust) as the Allied Hambro Pacific Fund. The change in name and investment policy and the adoption of the new trust deed were approved by a meeting of unitholders on December 30.

The minimum investment in the fund (current value £150,000) is £270—1,000 units—and the portfolio will be diversified between such markets as Japan, Hong Kong and Singapore. Dollar loans have been raised to minimise the effect of the investment currency premium. Changes in the portfolio content to this effect will start immediately under the

First-half jump at Milbury

Property developers, Milbury, a subsidiary of St. Piran, reports turnover up from £1.58m. to £2.09m. for the six months to September 30, 1975, and a sharply increased trading profit of £225,923 compared with £123,067.

After exceptional debits of £15,002 against £103,300 and tax of £93,828 against £11,500, the distributable balance rose from £8,267 to £115,095. Earnings are shown at 5.81p (0.42p) per 25p share.

The Board has decided to restore the interim dividend with a payment of 0.7039p net costing £13,932. Last year's single final dividend was 1.9196p and the trading profit came to £259,563.

The directors state that while the economic state of the country continues to be uncertain, results for third quarter indicate that profits for the second half will be satisfactory. They, therefore, intend to recommend the maximum permitted final dividend.

Borrowings were materially reduced during the period, there are substantial unused bank facilities and the Board now considers it opportune to replenish the land bank to ensure future profits. In addition, the acquisition of suitable companies in the industry continues to be pursued.

The directors consider it prudent to write off interest both on sites where development has not yet started and on those sites where development has been temporarily suspended.

Statement, Page 9

Brighter prospects at Majedie

Assets of Majedie Investments have increased by more than 4p per share and a healthy liquid position is still maintained although more of the group's funds have been invested in leading equities since the year end, states Mr. T. B. Barlow, chairman, in his annual review.

These results represent a further improvement in a difficult year, he adds.

Prospects for the coming year appear to be "distinctly brighter" as there now seems to be some hope that the long expected upturn in the economics of the world may commence.

The company "is well placed to benefit from this due to its aggressive investment policy combined with first class management."

As known pre-tax profit increased from £0.23m. to £0.29m. during the year to September 30, 1975 and the dividend is 0.54804p net (0.51p).

ISSUE NEWS

Yearlings at 11%

The coupon rate on this week's issues of local authority yearling bonds has fallen ⅛ of a point to 11 per cent. The bonds are due on January 12, 1977 at par.

This week's issues are: Borough of Scarborough (£1m.), London Borough of Sutton (£½m.), City of Chester (£½m.), City of Oxford (£1m.), Chichester District Council (£¼m.), Newport Borough Council (£1m.), Horsham District Council (£0.2m.), Sefton Metropolitan Borough Council (£¼m.), South Staffordshire District Council (£¼m.), Tendring District Council (£½m.), Crawley Borough Council (£½m.), Derwentside District Council (£¼m.), Wychavon District Council (£½m.), Tunbridge Wells Borough Council (£¼m.), Borough of Wolverhampton (£1m.), Wellingborough District Council (£½m.), North Wiltshire District Council (£½m.), Borough of High Peak (£½m.), Stroud District Council (£1m.), Wansbeck District Council (£0.15m.), Ogwr District Council (£0.4m.), Borough of Milton Keynes (£½m.), Borough of Northwolds (£½m.), City of Coventry (£1½m.), Wigtown District Council (£½m.), The Receiver for the Metropolitan Police District (£½m.).

Birmingham District Council has raised £2m. by the issue of a 12 per cent. bond due on January 4, 1978.

R. & J. PULLMAN

Of the 1,907,981 Ordinary shares offered by way of rights by R. and J. Pullman at 30p each 1,706,162 (89.42 per cent.) were taken up and the balance has been sold at a net premium which will be distributed to entitled holders subject to no individual amount of less than £1.

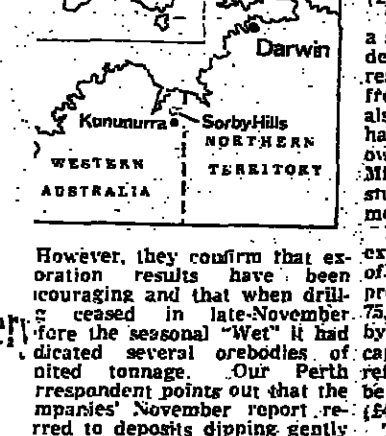
MINING NEWS

Stirring times at Sorby Hills

BY KENNETH MARSTON, MINING EDITOR

XCITEMENT, reminiscent of the ickel boom days, has been enerated Down Under by reports f a possible major lead-zinc-ilver discovery at Sorby Hills ome 20 miles north of Kununurra in the Western ustralian portion of the Bona-arte Gulf basin near to the order with the Northern erritory.

Press reports of a "massive" nd have prompted a cooling-own response from the joint enture partners, Australian sub-diaries of the French Societe ationale des Petroles d'Aquitaine id Societe d'Etudes de Re-herches et d'Exploitations inieres (Serem). They say that omment on the size or economic nportance of the deposits is premature and unjustified."



However, they confirm that ex-oration results have been icouraging and that when drill-g ceased in late-November fore the seasonal "Wet" it had dicated several orebodies of nited tonnage. Our Perth rrespondent points out that the mpanies' November report re-rred to deposits dipping gently th most drill intersections allower than 100 metres. juitaine plans to spend $2.2m. 1.36m.) on exploration this year.

Our man reckons that while rby Hills can be regarded as a ajor province of mineralisation, was the huge, but low grade, ount Keith nickel find in Western Australia which cannot considered an economic pro-sition at anywhere near the rrent nickel prices. Thus only e resumption of drilling after e "Wet" ends will show whether rby Hills is going to be more an a "Press find." In Paris yes-day Aquitaine rose a further s.6 to Frs.349 following the pre-ous day's gain of Frs.17.

MT. MORGAN AT CRITICAL STAGE

urther details of the statement, orted in this column yester-, by Mr. G. B. Lean, managing ector of Peko-Wallsend, con-ning the closure of the mill at company's Mount Morgan per operation in Queensland reported by our Sydney cor-pondent.

Mr. Lean said that if present per prices continue and no sh ore discoveries are made, nomic ore reserves could be luced to an inoperable level by e 1976. He added that the spects of further ore being ind were not bright as an active ploration programme over the st seven years had failed to un-er any new orebodies.

The company itself cannot fore-any material revival in copper ces for the next 18 months to years. The company is urply reducing activities at unt Morgan which, it is hoped, h the accompanying reduction in the workforce will lead to a break-even situation at Mount Morgan compared with an operating loss which now amounts to $1.5m. (£0.94m.). Peko were 445p in London yesterday.

Noranda in Chile

AGREEMENT has been reached between the Chilean Government and Canada's Noranda Mines for the development of the Andacollo copper deposit some 290 miles north of Santiago, in the province of Coquimbo.

Noranda will hold 49 per cent. of a company to be set up in Chile, the Government retaining the remainder, while Anaconda will also help the Government to raise its part of the overall financing costs which, it is thought, could reach $360m. (£177m.).

The new company will exercise a standing option to purchase the deposit, which has estimated reserves of 220.6m. tonnes of ore, from the Government. It will also continue exploration, which has been started by the State-owned Empresa Nacional de Mineria, and complete feasibility studies on the project within 15 months.

Results of the studies are expected to justify a second stage of major investments aimed at production at a rate of around 75,000 tonnes of copper annually by mid-1979. A smelter with a capacity of 100,000 tonnes of refined copper may subsequently be built at a cost of $100m. (£49.2m.).

This is understood to be the first agreement of a series being discussed between senior Chilean officials and representatives of foreign companies for the development of large copper deposits in Chile.

DENISON-MITSUI URANIUM SEARCH

Canada's Denison Mines has agreed to take part in a joint uranium exploration project with a subsidiary of Japan's Mitsui Mining and Smelting in the area around Ontario's Elliot Lake uranium mining district.

The first stage of the exploration is scheduled to end in June, 1977, and further work will depend on the results then obtained. Mitsui is to provide $1m. for initial exploration work.

Speaking in Montreal recently Denison's president, Mr. John Kostuik, said that the world will have to spend an estimated $17bn. (£8.4bn.) on uranium exploration from now until the end of the century.

He stressed that only 15 per cent. of the world's favourable geological potential has been thoroughly searched for low-cost uranium deposits, adding "ecological safeguards must be based on sound judgment rather than distraught emotionalism."

ROUND-UP

Israel has had second thoughts about the planned closure, reported here yesterday, of the State-owned Timna copper mines at Eilat (King Solomon's mines) which with costs in the region of £855 per tonne of copper last year have been losing heavily. The close-down decision is now to be suspended until steps have been taken to provide alternative employment for the workforce.

* * *

Mr. Henry Moses, president of the Bougainville Mineworkers' Union, has said that the Papua New Guinea Government and the Rio Tinto-Zinc group's Bougainville company will face a closure of the latter's copper-gold mine unless there is a compromise on a dispute over the payment of back pay arising out of last October's arbitration award.

* * *

Mr. F. L. Wigley, chairman of Rhodesia's Falcon Mines points out that annual mine working profits will rise by Rh.$270,000 for every Rh.$5 increase above Rh $84 in the gold price. In October it was forecast that working profits on the basis of gold at $US135 per ounce for the current year to next September would fall to Rh.$1.32m. from Rh.$2.27m. in 1974-75.

ELANDSRAND

At the shaft-sinking ceremony at the Anglo American Corporation group's new R127m. (£72m.) Elandsrand gold mine Mr. Harry Oppenheimer said that he hoped the South African authorities would co-operate in allowing the mine to provide permanent housing for its black workers.

"This principle—in the wider context—is of tremendous importance to this country," he added. Elandsrand is due to reach production in 1981 and will have a life of some 34 years during which it is expected to produce 800 tons of gold.

MINING BRIEFS

HONG KONG TIN—Output of Tin for December: 5 tonne (November: 5 tonne).

KILLINGHALL TIN—Tin output for December: 564 tonnes (November: 581 tonnes).

RAHMAN HYDRAULIC TIN—December Tin output: 47 tonnes (November: 45 tonnes).

PAHANG CONSOLIDATED—December: Tin concentrates produced 133 tonnes. Tin concentrates sold 174 tonnes. (November 132 and 203 respectively).

RECENT ISSUES

EQUITIES

Amount Paid Up	Latest Renunc. Date	1975/6 High	1975/6 Low	Stock	Closing Price	+ or −	Div. Amount	Times Covered	Gross Yield	P/E Ratio
F.P.	—	550	550	Ang.Am.Coal Corp. 50c	550	......	MQ58c	2.8	4.0	—
F.P.	—	$12¾	$12¼	Brazil Fund S.A.	$12¾	......	—	—	—	—
F.P.	7/11	320	280	Elandsr'd G'd Min'g 20c	285	+5	—	—	—	—
F.P.	—	£35⅞	£29¾	Hughes Tool $1	£34¼	−¾	Q40c	—	0.5	—

FIXED INTEREST STOCKS

Amount Paid Up	Latest Renunc. Date	1975/6 High	1975/6 Low	Stock	Closing Price	+ or −
£50	30/1	53½	49½	Bristol (City of) 15¾% Deb. Stk. 1981	53½	+¼
£50	11/2	53¾	49½	Coventry (City of) 13½% Red. Stck. 1980	53¾	+¾
F.P.	23/1	100½	99½	Essex Water 9% Red. Pref. 1981	100½	+¼
F.P.	15/10	133½	115	Haslemere Est. 9½% '90-5	130	−1
F.P.	9/1	104½	99⅞	Islington 13½% Red. Stk. 1980	104½	+¼
F.P.	9/1	102	97½	Do. 14% Red. Stk. 1985/6	102	+¼
$100 50	—	912p	825p	Jardine Math.7½% Conv. Uns. 1990	912p	+25
F.P.	28/11	100	98¾	Lee Valley Water 9% Red. Pref. 1980	99½	+½
F.P.	—	100	98½	Midland Bank Float Cap Notes '82	100	......
F.P.	—	98¼	96	Noranda 9½% Notes 1980	$C98¼	......
F.P.	—	102½	98	Do.	$US.102½	......
£25	23/1	22⅝	26	Norcros 15¾% Deb. 1990/95	28⅝	......
—	16/2	98	92	Pentos 15% Conv. Uns. 1985	98	+1
F.P.	17/11	50½p	45p	Single 10% Cum. Conv. Pref.	46½	......
F.P.	28/11	120	100	Spirella 14% Conv. 1992	110xd	......
F.P.	20/2	114½	110	Tenneco 10% Sterling $ Conv. 91-95	114½	+2
F.P.	—	92	92	Trans Union Fin Can 10½% notes 1990	$U.98	......
F.P.	31/10	98½	96½	York Waterworks 8% Red. Pref. 1984	97½m	+½

"RIGHTS" OFFERS

Amount Paid Up	Latest Renunc. Dates		1975/6 High	1975/6 Low	Stock	Closing Price p	+ or −
F.P.	19/12	30/1	180	160	Anglo-Am Asphalt	178	......
Nil	16/1	—	55	30	Bank of Nova Scotia	43½pm	+1½
F.P.	11/12	3/3	145	94	Berisford (S & W)	145	......
F.P.	12/12	16/1	363	342	British Home Stores	347	+6
Nil	—	—	6	4	Brooke Bond	5½pm	......
F.P.	12/12	12/1	55	47	Capper-Neill	52	+1
F.P.	5/12	9/1	22½	18	Charles (David)	21	−1
F.P.	24/11	9/1	95	78	Debenhams	95	+5
Nil	8/1	13/2	22	13	Eagle Star	22pm	+4
F.P.	5/1	30/1	61	60	Ellis & McHardy	60	......
F.P.	19/3	20/2	83½	64¾	Fairey	72	+3½
F.P.	12/12	9/1	135	119	Fenner (J.H.)	133	+5
Nil	9/1	20/2	22	18	Green's Economisers	19pm	+1
F.P.	15/12	12/1	86	64	Hunting Assoc. Inds.	84	+2
F.P.	17/12	16/1	139	121	Kwik Save Discount	135	+1
Nil	—	—	12½	10½	Lake & Elliot	12½pm	+½
F.P.	2/1	23/1	38	34	Lennons Group	36	......
F.P.	22/12	20/1	34½	29	Lighting & Leisure	31	−½
F.P.	19/12	16/1	83	75	Mowlem (J.)	83	......
Nil	30/1	13/2	155	125	Nat. Bank of Aust.	145pm	+5
Nil	9/1	13/2	9	4½	Plessey	9pm	+1
F.P.	31/12	5/2	62	52	Pullman R & J	56	......
F.P.	24/11	30/1	39	35	Raybeck	38	......
F.P.	19/12	30/1	134	116	Runciman (W.)	134	......
F.P.	19/12	21/1	43½	38½	Spillers	43	+½
Nil	—	—	27	23	Trafalgar House	23pm	−1
F.P.	12/12	26/1	70	64	Watson & Philip	66	......

Renunciation date usually last day for dealing free of stamp duty. a Placing to public. b Figures based on prospectus estimate. d Dividend rate paid or le on part capital, cover based on dividend on full capital. p*** Pence otherwise indicated. n Forecast dividend: cover based on previous year's es. T Figures assumed. : Cover allows for conversion of shares not now for dividends or ranking only for restricted dividends. ** Issued by tender red to holders of Ordinary shares as a "rights." # 200 S.Afr cents. ‡ Rights of capitalisation. ¶ Tender allotment price. ◆ Reintroduced. ¶ Issued in tion with reorganisation, merger or take-over. ❖ Introduction. ◆ Issued to Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or paid allotment letters. ★ With warrants.

APPOINTMENTS

Lord Hill Abbey National chairman

Lord Hill has been appointed chairman of ABBEY NATIONAL BUILDING SOCIETY. Mr. H. L. P. Timberlake is to be deputy chairman. The appointments follow the death of Sir Stanley Morton, the previous chairman at the end of last year.

Lord Hill, previously deputy chairman and a director of Abbey National since 1964, is a former Cabinet Minister and was chairman of the ITA from 1963-67 and of the BBC from 1967-72. Mr. Timberlake, a director of the society since 1972, remains chief general manager.

★

Sir Oliver Chesterton, vice-chairman since 1968 and a member of the Board since 1962, has been elected chairman of the WOOLWICH EQUITABLE BUILDING SOCIETY in succession to Mr. Alexander Meikle, who has announced his retirement. Mr. Meikle has been chairman of the Society since 1969 after many years as its general manager, and has been a director since 1958. Sir Oliver's post as vice-chairman has been filled by the election of Mr. A. D. Chesterfield, a director since 1966, and a former chief general manager of the Westminster Bank.

★

Mr. Ward Stewart, managing director of ALCOA OF GREAT BRITAIN, has been appointed Alcoa's regional manager for Europe and Africa. In his new post, Mr. Stewart will be responsible for manufacturing and sales operations in Europe, the Middle East and Africa. He will be based in London. Mr. J. L. McLay, managing director of International Alloys, will take up a newly-created post within Alcoa Britain. From February 1, he becomes managing director of Alcoa Manufacturing (GB) at Swansea. Mr. H. B. Grainger, formerly works director at Alcoa Manufacturing, has been named manufacturing director. Other management changes in Alcoa Britain companies are: Mr. W. Moulding, previously managing director, Alcoa Foils (GB), will replace Mr. McLay at International Alloys, and Mr. R. W. Devereux, commercial director of Alcoa Foils, becomes managing director.

★

Mr. Paul Lipscombe has been appointed executive vice-president of CINEMA INTERNATIONAL CORPORATION. He joins the CIC from Rank Xerox in London.

★

Mr. Jim Reynolds has resigned as a joint managing director of GRANADA PUBLISHING due to ill-health, but will become a consultant on editorial matters. Mr. Alewyn Birch, at present a joint managing director, has been appointed managing director. Mr. Terry Kitson will become sales director, responsible for sales home and overseas for all paperback and hardback imprints. Mr. Ken Hills, managing director Hart-Davis Educational, has been appointed a director.

★

Mr. Kenneth Weedy has retired as chairman of REED AND SMITH HOLDINGS after almost 30 years with the company, and Mr. David Harrison has been elected chairman in succession.

★

BALFOUR BEATTY GROUP of BICC has anounced the following changes in its management structure: Balfour Beatty: Mr. C. G. Moss appointed a director and responsible for Balfour Beatty Power Construction. Balfour Beatty Construction: Mr. G. W. Cole becomes a director. Mr. K. J. Court, a director, to chief engineer. Mr. R. K. Loraine, a director, to general manager of the international construction division. Mr. R. C. M. Rankin, a director, to general manager of the Southern construction division. Mr. J. M. Salt becomes secretary. Balfour Beatty Engineering: Mr. D. J. Milford appointed a director and commercial manager. Balfour Beatty Power Construction: Mr. A. Pearson becomes a director and general manager of the traction and general division. Balfour Kilpatrick: Mr. R. L. Taylor becomes a director and general manager of the Southern division.

★

Mr. F. W. I. Barnes has been appointed a full-time chairman of INDUSTRIAL TRIBUNALS for London and Birmingham.

★

BROADS MANUFACTURING COMPANY, part of the Brickhouse Dudley Group, has received an order worth about £700,000 from the Post Office for heavy duty cast iron joint box covers.

★

DAVENPORT ENGINEERING COMPANY, Bradford, has been awarded a contract worth £250,000 for a waste water treatment plant at the new factory of Chloride Industrial Batteries at Over Hulton, Nr. Bolton, Lancs.

★

H. H. ROBERTSON (U.K.), Ellesmere Port, has been awarded five contracts for the supply and erection of modular cavity floors, together worth £134,000. One order forms part of a modernisation project for GEC offices in Manchester; the other four are for computer installations—for the Royal Insurance Company in Liverpool, Rolls-Royce in Bristol, the Inland Revenue's accounts office in Cumbernauld and the Post Office in Edinburgh.

★

DICK'S EAGLE INSULATIONS Hadleigh, Essex, a McGill Insulation Group company, has been awarded a contract by the Department of the Environment for high-temperature water distribution mains at Command Ordnance Depot, Bicester, and one from Chemical and Thermal Engineering for process vessels and associated pipework at a new herbicidal plant for Staveley Chemicals, Chesterfield. These orders total more than £100,000.

★

PLESSEY AVIONICS AND COMMUNICATIONS has been awarded a £2.5m. contract for the supply of Clansman radio system ancillary equipment from the Ministry of Defence. The order is for quantities of AC battery charging units, antennas and antenna masts, hand generators and other ancillaries. Plessey is also the prime contractor for all antenna systems and for the principal ancillary equipment for which this contract has been placed.

★

THORN LIGHTING has been awarded a contract worth about £500,000 by the West Yorkshire Metropolitan County Council to replace existing tungsten and mercury vapour light sources with low pressure sodium over 720 miles of roadway. It is estimated that annual savings in running costs of £100,000 will be achieved by the changeover.

★

WARD WHITE GROUP has won Ministry of Defence orders for British Army boots, worth more than £500,000. The boots are to be produced in the John White Footwear factory at Higham Ferrers, Northants, and the G. B. Britton plants in Bristol and Brynmawr.

★

GRAHAM WOOD STRUCTURAL has been awarded a contract worth more than £925,000 for steelwork for the maintenance depot required for the Bakerloo line at Stonebridge Park, N.

Textile fortunes revive

TEXTILE companies were no longer the Cinderellas of British industry, Dr. John Blackburn, joint managing director of Spirella Group, said yesterday.

For many years the textile industry had been regarded as one in decline—not to be compared with glamorous growth industries, Dr. Blackburn told a meeting of the Marketing Society.

Now, with only the minimum of Government intervention, textile companies had largely sorted out their own problems in contrast with many other industries, notably cars, he said.

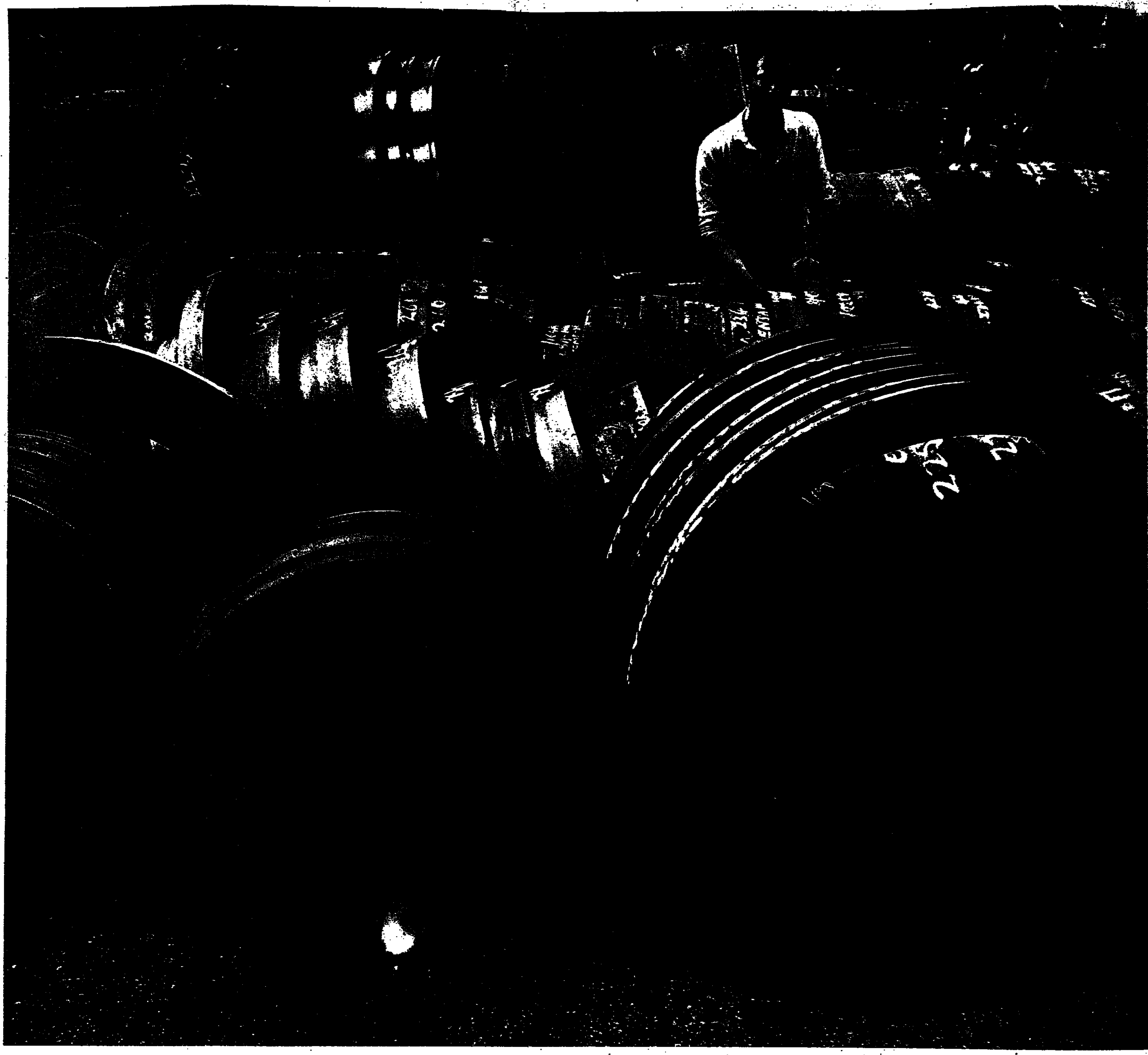
At the end of the 1950s the industry had surplus capacity, an out-dated structure and antiquated marketing methods.

As a result of takeovers initiated by private enterprise, the industry now was in the hands of a very small number of companies and for some years was reasonably profitable.

The entry of Marks and Spencer into household textiles 6-7 years ago had a dramatic effect on the industry because of its high standards. He believed that Marks had saved the British towel industry—which had been fast heading for extinction because of imports—by insisting on a vast quality improvement.

SPL EXPANDS INTO POLYMERS

The Yorkshire based SPL group, which produces and markets paint under the Home Charm label, is to open its new polymers manufacturing plant, Kirklees Chemicals, tomorrow. The plant, built at a cost of £500,000, began work in October and has since been producing an emulsion resin developed by SPL.



"When you know as much about rolled rings as we do, why keep quiet about it?"

Mel Bates, Managing Director, Woodhouse & Rixson Limited.

Woodhouse & Rixson Limited supply forged components made to exact customer specifications for heavy industry throughout Britain and the world.

The company's unequalled experience – and that of its associate, Niagara Forge – in the production of rolled and forged rings, forged bars and shafts and plain, punched and bossed blanks has won it important and rapidly growing shares in a wide range of valuable industrial markets.

For instance, Woodhouse & Rixson supplies rolled rings to the quarrying, mining engineering, commercial vehicle and ball and roller bearing industries, among many others.

Because much of the company's plant and equipment is designed by and for Woodhouse & Rixson, production can be a great deal more flexible than in competitor firms and customer specifications can be met more exactly.

Like other members of the group, Woodhouse & Rixson Limited matches technical expertise in its specific field with an unusual degree of management flexibility, good labour relations and energetic salesmanship.

A combination which is making Woodhouse & Rixson one of the most successful suppliers of engineering components in Britain today.

Woodhouse & Rixson (Holdings) Ltd.

Results speak for themselves.

Woodhouse & Rixson (Holdings) Limited, Bessemer Road, Sheffield S9 3XS.

Nederlandse Gasunie sees maintained profits

Y MICHAEL VAN OS

ERLANDSE Gasunie, the controlled Dutch gas dis- tion company in which and Esso each have a 25 cent. interest, expects 1975 profits to total Fls.80m., the same as the previous (Fls.80.2m.). No indication given of the value of sales, ugh the sales volume had ct decreased in 1975.

unie's chief director, Mr. ardaun, told a meeting in ngen that natural gas sales totalled 89bn. cubic metres in 1975, which compares 82.5bn. cubic metres in He added that the 1975 e had been about 7bn. elow expectation, mainly as ult of the "strong decline" dustrial activity in Holland the mild weather. For the nt year, gas sales are ex- d to remain just under M3 at 98bn M3, of which 45bn. M3 would be sold d.

Kardaun said that the com- s investment programme is year (1976) would total ast Fls.200m., to be em- d in expanding its pipeline rk and installations. He that a new compressor n was under construction at nen (Limburg province) o were installations for the e of natural gas at the re- ed Maasvlakte near Rotter- dam. Both projects were expected to be fully or partly completed this year.

Gasunie, in which the state has a direct 10 per cent. stake and an indirect 40 per cent. through the state-owned chemical company DSM, added that its activities in the form of construction work in engineering of pipelines and installations would now have to be employed for third parties both at home and abroad as the company's own market possibilities were becoming exhausted.

The Gasunie chief director also noted that the company had received the first gas from the Dutch offshore sector in the past year. It involved deposits owned by the U.S. Placid company. He added that in 1976 and 1977, Gasunie would also be taking over Dutch North Sea gas from the Pennzoil-led Noordwinning group and from the Nederlandse Aardolie Mij. (Shell-Esso), as well as from the Norwegian Ekofisk field. The necessary pipeline systems had largely been completed, Mr. Kardaun told the staff meeting in Groningen.

Ahold expects growth

BY MICHAEL VAN OS — AMSTERDAM, Jan. 6.

AHOLD, the quoted leading Dutch grocery chain, expects profits to have improved "considerably" in 1975 from the previous year's level of Fls.10.5m. Sales have risen by an estimated 18 per cent. from the 1974 level of Fls.2.43bn.

The estimates, which would mean a significant improvement in the company's margins, were given in Zaandam by the company's Chairman, Mr. Albert Heyn, who added that profits would still however be below the level considered desirable. He was still uncertain about the possibe impact this year of the government's temporary wage and prices controls.

As a result of a 16.7 per cent. growth of sales in the first half of 1975 and a considerable improvement of the net profit margin, Ahold had achieved a major profit rise in that half when the net earnings per share amounted to Fls.5, compared with Fls2.12 the year before. Over 1974, it had paid an unchanged dividend of Fls.3.54

Credit Suisse move in SEC case

JOHN WICKS — ZURICH, Jan. 6.

HE case of the action of ecurity and Exchange Com- n in connection with the enstein-based company al Commercial and other takings in the Harwood Credit Suisse to-day issued munique in Zurich to say agreed to deposit its own of credit for $122m. This represents the value of assets deposited with the in Switzerland.

The bank states that the deposit has been made on the basis of an agreement reached with the SEC which should enable the bank to be reimbursed out of assets in Switzerland for any payments made from the deposit in the United States.

A transfer of Harwood Group assets to the United States, as had been demanded by a New York judge in November, was not possible, particularly since the group had obtained a Swiss court judgment forbidding the transfer. It was therefore necessary, says Credit Suisse, "to find a way out of the embarrassing situation in which the bank found itself, owing to conflicting orders in Switzerland and in the United States."

The bank adds that it is continuing to look for a satisfactory solution, "consistent with Swiss banking laws and practices."

Rescue plan for Neogravure

RUPERT CORNWELL — PARIS, Jan. 6.

THE SECOND time in a year, the French autho- have put together a rescue for La Neogravure—in s again billed as a last- attempt to save the y's largest printing con- rom bankruptcy.

cheme pushed through by dustry Ministry is the step so far towards the nisation of the crisis- sector, which the Govern- as been loudly advocating. the way, however, with lans, its cost is likely to 00 or more jobs.

centrepiece of the ement is the merger of nancial company controlling Neogravure, Societe de Development Financiere, with the No. 3 French printing group, the Paris-based Victor Michel.

The two partners will each hold 50 per cent. of a new company, to be called Cie Francaise des Industries Graphiques, which will theoretically have an annual turnover of around Frs.300m. It will be backed by Frs.72m. of new money from existing shareholders, including the Paribas banking group and the Beghin empire, and a further Frs.100m. of public funds.

Whether this latest initiative will be any more fortunate than that of December, 1974, remains to be seen. On that occasion, the difficulties of Neogravure were supposedly cured by the amputation of its loss-making Chaix subsidiary.

But the slimmed-down company — which handles such publications as Paris Match and Elle magazine — proved barely more successful. Turnover, which had been estimated at Frs.270m. in 1975, turned out at only Frs.240m.

In the meantime, the basic problems of the French printing industry remain: soaring newsprint costs, higher wage bills and, in the case of France, the tendency of local publications to commission much of their work abroad.

Securities Rand introduction welcomed in Johannesburg

RICHARD ROLFE — JOHANNESBURG, Jan. 6.

WO recent changes in the d Rand system in South first foreshadowed in by the Minister of e, Mr. Owen Horwood, enerally been welcomed in market and banking in Johannesburg. The of name to Securities will now cover the bulk cked Rand deals and leave ter somewhat intimidating solely to cover funds left uth Africa by emigrants ave now left the country. ntroduction of "transfer- " enabling Securities (as they will be known February 2) to be trans- through the books of local s or bankers between non- its' accounts, will simplify ures for non-residents' io investment and prob- chieve a marginal reduc- costs. The Johannesburg Exchange will quote a bid fered price for Securities and is hoping to narrow note from the current nt spread to no more than point.

in another respect, the nsferability will do more et the stamp of official al on the existing system. generally as the "gilt For about the last 18 , this *de facto* system of rability has been avail- non-residents who wanted e their money out of esburg. A non-resident buy gilt-edged stock from bank or institution and to another non-resident anted to create blocked Thus, the first non-resi- ould get sterling in Lon- he second would get rands and the SA insti- for a fee of an eighth of cent. (which was used to down the book value), get its scrip back after it en endorsed non-resident, he endorsement subse- cancelled.

ingenious procedure was out with the knowledge Reserve Bank and reduced onsiderably over conven- arbitrage deals through re market. The gilts were ble for stamp duty or able securities tax and a lower rate of brokerage. ver, comparable charges t an eighth of 1 per cent. probably the maximum okers will be able to levy sferring Securities Rands the new system, so for g and issuing a cheque iting to the buyer and hey will make R125 per) transacted. It is em- ly clear that Johannesburg brokers will not be able to take positions in Secuirties Rands and will act solely as agents, not even "working balances" being permitted. If position-taking were allowed, there could clearly be heavy foreign currency liabilities in the event of a broker reading the market wrong.

Since the announcement confirming transferability, the Securities Rand Discount (or the average percentage by which SA registered securities are lower in overseas markets than they are in Johannesburg) has narrowed appreciably from a high of 15 per cent.—which reflected overseas fears about the Angola war—to the current 7 per cent.

The main reason has been that Reed International has, somewhat belatedly, started moving R8m. into SA to pay for its offer to Nampak shareholders for 30 per cent. of their holdings. Thus leading stocks like De Beers—always the prime arbitrage stock because of its relatively good marketability — have been bought in London and sold in Johannesburg to create Securities Rands. Though the buying and selling should in theory cancel out in share price terms, a big movement through the Securities Rand market always tends to push down prices if the discount is high, as buyers have to be found in Johannesburg. Apart from Reed, the inflow of funds from Rembrandt's U.S. partner to take up Federale Mnybou shares could help to narrow the discount, in due course.

All this is going on against a background of a desperately depressed stock market in Johannesburg, with the value of shares traded averaging R2m.-R3m. in November, not a particularly exciting level, and slipping to well under R2m. so far. Foreign interest is at a low ebb and leading brokers are concerned at the increase in business outside the market directly between institutions. Off market deals are of course not subject to brokerage at 0.85 per cent. to buyer and seller, avoid marketable securities tax at 1 per cent. and only attract stamp duty, payable at 1 per cent. by the buyer when shares are transferred. Thus institutions which deal through brokers are effectively penalised and business worth millions of rands a year is circumventing the JSE. Recently one SA institution offloaded some large lines of gold shares, all of which went to New York, without passing through local brokers.

The JSE Committee is concerned about the trend. Various remedies have been suggested in Johannesburg, including raising the rate of stamp duty on off-market transactions to 3 per cent. but so far nothing concrete has emerged.

A revival of business would ease broking firm cash flows, but here, too, it is difficult to be optimistic in the short term.

Continuing inflation, doubts about the effectiveness of the "Pretoria Manifesto," the Angola imbroglio and the probability of a rise in corporation tax in the budget are adverse factors, while the recent requirement on institutions to increase their statutory holdings of prescribed stocks by another 2 per cent. has affected funds available for equity investment.

"Pension and life funds' holdings amounting to a global R8bn. will have to be topped up by another R160m. by the end of 1976. With an annual cash inflow of about R8bn., of which just over R4bn. has to be invested directly in gilt-edged and other approved securities, the balance available for new investment in equities will be very limited."

Overhanging everything is the course of the gold price with the economy remaining vulnerable to a further downturn.

PUK losses may reach Frs.650m.

By Rupert Cornwell — PARIS, Jan. 6.

THE YEAR'S loss by Pechiney-Ugine-Kuhlmann, the French metals to chemicals giant could reach around Frs.650m. (£74m.) in 1975 compared with a group net profit of Frs.743.5m. (£85m.) in 1974.

That the group, the country's third largest private sector industrial concern, would be in the red last year was admitted as long ago as last October by PUK's new president M. Philippe Thomas. The figure, however, that was carried in the Paris Press to-day, and not denied by company officials, is higher than most estimates so far.

The size of the deficit reflects the depth of the economic downturn in France through most of 1975. First half sales dropped by over 20 per cent. to Frs.9.5bn. (from Frs.11.5bn.) and this pattern, reportedly, carried on during the second six months.

Although PUK's foreign subsidiaries should be profitable M. Thomas warned that the special steels division, in particular, would make a loss, in line with the general downturn throughout the steel industry.

News of such a loss from Pechiney is nothing exceptional in the present embattled business climate. The main French chemicals group, Rhône-Poulenc is facing a 1975 deficit of over Frs.1bn.—but is vigorously denying all talk of further drastic emergency action to shore up its financial position. But a Boardroom shake-up, a month ago, brought into the open the severe strains within the group caused by the economic crisis. Rhône-Poulenc has been among the worst hit of the world's chemical majors by the downturn, and is suffering particularly in synthetic fibres and petrochemicals.

Contrary opinions on foam cartel

By Nicholas Colchester — BONN, Jan. 6.

THE FEDERAL Cartel Office to-day announced that Bayer AG, the major German chemical company, had agreed to dispose of at least a majority holding in Metzeler Schaum GmbH, an important manufacturer of polyurethane foam and a part of the Metzeler group of companies in which Bayer first established a major interest in autumn, 1972.

The Cartel Office said that Bayer had agreed to achieve this by December 31, 1979. But Bayer claimed to-night that this agreement was conditional on the foam market developing over the next four years in a way that justified the Cartel Office's fears that Bayer and Metzeler together will reduce competition in the foam business.

A Bayer spokesman said to-night that this condition was part of the agreement between his company and the Cartel authority. No Cartel official was on hand to-night to comment on this assertion. The Cartel Office's statement calls the agreement a binding one and makes no mention of the way in which the market might evolve between now and 1980.

The Cartel Office reasons that Bayer is the world's largest producer of raw materials for the manufacturing of polyurethane foam and that by getting together with Germany's largest manufacturer of foam and foam products it will establish a commanding position in this manufacturing market. The Office says that Bayer had stressed that it had no intention of merging Metzeler Schaum with its own polyurethane division, that there is therefore no need to bar the acquisition and that to-day's agreement should suffice.

Bayer clearly has a more liberal interpretation of what has been agreed. It stated to-night that because Metzeler Schaum had made "losses dangerous to its existence" over the last few years, Bayer would continue its efforts to turn the company round. If the Cartel Office still feels in four years time that this has had an impact on the structure of the foam business, then Bayer will look for an interested party to take over the majority of Metzeler Schaum.

Bayer's complicated and extensive involvement in the Metzeler group has so far proved an expensive one.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

	Bid	Offer
STRAIGHTS		
Aquitaine 10pc 1985	102½	103½
Ashland 8pc 1987	91½	92½
Australswiss 8pc 1987	93	94
Borregaard 8½pc 1989	95½	96½
Broken Hill 10pc 1990	103½	104½
Carrier 8pc 1987	91½	92½
Conoco 8pc 1986	99	100
Consol. Foods 7½pc 1991	89½	90½
Cutler Hammer 8pc 1987	93	94
EIB 9¼pc 1985	101½	102½
ERAP 9¼pc 1985	101	102
Esso 8pc 1986 Nov.	99½	100½
General Cable 8½pc 1987	90½	91½
General Motors 8½pc 1986	103½	104½
Granges 8½pc 1985	99	100
GTE 9¼pc 1986	96½	97½
New Zealand 8½pc 1982	102½	103½
Pacific Light 8pc 1985	91½	92½
Prov. of Quebec 7½pc 1988	87½	88½
Quebec Hydro 8½pc 1989	100	101
Queensland 9¼pc 1987	91½	92½
Scanraff 9½pc 1988	98½	99½
Shell 8pc 1988	98½	99½
Stand. Oil (Ind.) 8¼pc 1988	100½	101½
Tenneco 7½pc 1987	88½	89½
Transocean 8pc 1986	99½	100½
Utah 8pc 1987	95½	96½
Volvo 8½pc 1985	101½	102½
NOTES		
Air France 9½pc 1982	102	103
Ardal 9½pc 1980	102	103
Australia Ind. 10½pc 1981	103	104
Barclays 9¼pc 1982	101½	102½
Cie Natl. Rhone 10pc 1982	103½	104½
Du Pont 7¾pc 1979	102	103
Esso 7¾pc 1978	100½	101½
General Motors 8½pc 1978	100½	101½
Montreal 9¼pc 1981	102½	103½
Nippon Steel 9½pc 1980	99½	100½
Norway 9pc 1980	102½	103½
Skandinaviska E. 10½pc '81	105½	106½

Source: White Weld Securities.

	Bid	Offer
CONVERTIBLES		
American Express 4¼pc '87	86	88
Ashland 5pc 1988	81	83
Beatrice Foods 4¼pc 1992	96	98
Beatrice Foods 4½pc 1992	102	104
Borden 5pc 1992	95½	97½
Broadway Hale 4½pc 1987	79	81
Canon Camera 7¼pc 1989	93	96
Carnation 4pc 1987	87	89
Chevron 5pc 1988	98½	100½
Dart 4¾pc 1987	94	96
Eastman Kodak 4½pc 1988	121	123
Economic Labs. 4¾pc 1987	78½	80½
Eidai 7½pc 1989	71	73
Fed. Dept. Stores 4½pc '85	130	132
Firestone 5pc 1988	89	91
Ford 5pc 1986	89	91
Ford 5pc 1988	78½	80½
General Electric 4¼pc 1987	86	88
Gillette 4¾pc 1987	77	79
Gould 5pc 1987	97	99
Gulf and Western 5pc 1988	91	93
Harris 5pc 1992	73	75
Honeywell 6pc 1986	80	82
ITT 4½pc 1987	67½	69½
Komatsu 7½pc 1990	103	105
J. Ray McDermott 4¾pc '87	118	120
Mitsui 7½pc 1990	103	105
J. P. Morgan 4½pc 1987	104½	106½
Nabisco 5½pc 1988	95	97
Owens Illinois 4½pc 1987	94	96
J. C. Penney 4¼pc 1987	83	85
Pioneer 6½pc 1989	205	210
Rank 4½pc 1987	44	46
Revlon 4¼pc 1987	103	105
Sperry Rand 4¼pc 1987	97	99
Squibb 4½pc 1987	88	90
Texaco 4¾pc 1988	73	75
Toshiba 6½pc 1990	102	104
Union Carbide 4¾pc 1982	108	110
Warner Lambert 4½pc 1987	85	87
Warner Lambert 4¼pc 1988	84	86
Xerox 5pc 1988	74	76

Source: Kidder Peabody Securities.

AMSTERDAM RETROSPECT

A tough year in 1975

BY MICHAEL VAN OS — AMSTERDAM, Jan. 6.

DUTCH COMPANIES can look back on a tough 1975, a year of recession and soaring indebtedness in which many well-known companies disclosed losses; it was also a year of growing worries about a number of Government moves. For the New Year, the outlook is clearly better, but there are doubts that any upturn will be felt during the first six months. Business confidence will receive a major boost—if the Government keeps its pledge to control sharply rising wage costs.

Major advances

The share market has followed the international pattern with major advances, particularly in the "financial sector." The Amsterdam ANP-CBS Bourse index ended 1975 with a 19.2-point rise to 96.2, with "banking" up 40 per cent., "insurance" 38, "internationals" 40, "industry" 13, "trading" 8 and "shipping and airlines" 4¼ per cent. up.

Total Bourse turnover rose by about Fls.8bn. to Fls.24.6bn. in 1975 with fixed-interest up 82 per cent. to Fls.10.7bn. An Amro Bank review added that the Dutch bond market was characterised by less severe fluctuations in 1975 than in the year before. As money market rates came to rest at a considerably lower level than capital market rates, institutional investors were especially active in transferring large sums to the capital market. This was reflected in a sharp rise in bond trading volume and brisk issue activity. Foreign investors were net buyers, showing a preference for short maturities, Amro notes.

In all, 11 companies announced share issues in 1975, of which four were banks and three insurance companies, and four companies issued convertibles. There were a number of major mergers and takeovers in 1975, particularly in the banking sector where concentration has accelerated. First Amro Bank acquired the privately owned Pierson Heldring en Pierson's, and not long after that ABN took over the Mees en Hope group, while Morgan Guarantee bought 50 per cent. in Labouchere, previously a full Amro subsidiary. Outside banking, a major acquisition took place in the trading sector where THV International (in which OGEM has a majority interest) took over Lindeteves-Jacoberg. Unlike previous years which saw a flurry of foreign companies seeking a listing on the Amsterdam Stock Exchange. Only one, Jacques Borel, of France, was recorded in 1975.

In 1975, a group of 13 companies saw their share prices rise by over 50 per cent., attributable largely to a recovery in their results. This list included Ahold, Heineken, KLM, Shell, Hollandsche Beton, Stevin, Ballast-Nedam and Nationale-Nederlanden.

In Holland, figures illustrating the breakdown of national income in the 1970s show succinctly that companies have ceased to benefit from its growth, which was completely absorbed by the public sector and by wage earners. Company profits began to narrow and the downward trend was reinforced, particularly in 1975. A survey of 166 quoted Dutch companies in the financial weekly Beleggers Belangen, published in mid-December, showed that 93 were expected to show a lower profit or increased losses in 1975. At 25 companies it was hoped that profits would show little change, and only 48 were confident enough to predict a profit growth over the previous year.

The magazine added that as many as 38 companies were almost crtain to end 1975 with a loss. The list includes well-known names such as Akzo, Estel, Holland America Line, Van Gelder (paper), KLM, and Ten Cate (textiles). For certain of the companies (Estel for example) the problems are clearly of a cyclical nature. Others, like Akzo, also suffer from structural problems. In most cases, however, major reorganisation schemes have been, or will be effected at companies in the latter category. Also as far as results are concerned, the "financial sector" has done best in the year under review and indications are that this will continue in the New Year.

As for the various other sectors, a modest recovery is already under way in the electrical sector, although it has come too late for Philips in 1975. In steel, Estel, faces losses of around Fls.200m. in 1975. Almost permanently in the news in 1975 was Akzo, and Enka, its chemical subsidiary. Here, setbacks may result in an Akzo loss of up to Fls.180m. A reorganisation programme is underway at Enka now that union resistance has been successfully overcome and the first signs of recovery have already been noted in the market.

The building sector, which regularly bagged important new orders from the Middle East, also witnessed the downfall of Nederhorst. A solution has now been found for the company's building activities: they are to be taken over jointly by the Government, and Ogem which is responsible for management.

Another building company, NBM, has suffered a loss, but others in this sector such as Ballast-Nedam (which returned to the black), Bos Kalis, Stevin and the unquoted Volker did relatively well with the aid of large Middle East building and dredging orders.

Trade decline

For obvious reasons, the shipping companies are facing lower results following the world trade decline, affecting companies such as NSU, KNSM and especially Van Ommeren. NSU summed up the general feeling for 1976 recently by saying the year would be "lean." KNSM's income is aided by a return to profits of its charter airline interest Transavia. Holland America Line's loss will be reduced and the recovery in the cruising business raises hopes for a profitable 1976.

The paper sector experienced a very difficult year with results showing a reverse of the profitable year before. Van Gelder (50 per cent. Crown-Zellerbach) and KNP are certain to end the year with a loss though there is cautious optimism for the future. Buehrmann-Tetterode has been much less affected by the recession thanks to its policy of diversification and foreign expansion.

In textiles the problems are substantial and general, a situation reflected in the Nijverdal-Ten Cate company which expected to suffer a pre-tax loss of Fls.30m. in 1975. Cheap imports from outside the EEC are a major problem here and reorganisation is being speeded up in this year, often with state aid.

AGC, IAC trim debenture interest rates

BY JAMES FORTH — SYDNEY, Jan. 6.

TWO LEADING finance companies — Australian Guarantee Corporation (AGC) and IAC (Holdings)—have confirmed the downward trend in interest rates by trimming the rates offered in their latest debenture issues. AGC, Australia's largest financier, led the way, pegging its top rate back from 12 per cent. to 11.5 per cent. compared with a new top rate for IAC of 12.5 per cent. AGC also announced it would seek up to $A200m. in its latest debenture offer—the largest fixed interest raising attempted in Australia.

The previous largest target was $A150m.—sought in AGC's past two issues. The company closed off its latest offering after raising a record $A130m. in five months. A prospectus can run for a maximum of six months but directors apparently felt that the rates on offer were now too high and needed to be adjusted downwards.

AGC is seeking a basic $A150m. and can accept up to $A50m. more in over-subscriptions.

The company signalled an imminent cut in its rates last week when it trimmed the coupon on its three months, then at call, money from 9 per cent. to 8.5 per cent. Last May the company was offering 10 per cent. for such funds.

The rate offered for 12 months funds has been cut 1 per cent. from 11 per cent. to 10 per cent., for two years by 0.5 per cent. from 11.5 per cent. to 11 per cent. and for 3 and 4 years by 0.5 per cent. from 12 per cent. to 11.5 per cent.

High levels of liquidity in the economy at present and low demand for funds are the major reasons for the decline in interest rates. AGC directors said to-day they expected the high level of liquidity to continue. And this would be welcome because AGC is faced with a heavy borrowing programme in 1976 to meet its maturing debt.

IAC directors added that the recently introduced flexi-rate debentures were proving successful, attracting about 30 per cent. of total subscriptions to date. The flexi-rate is an attempt at indexing rates to compensate for inflation. The interest rate is based on a formula linked to the consumer price index and the rate charged by the trading banks for their interest bearing deposits. The coupon for the December quarter was 13.5 per cent. and for the March quarter will be 13.25 per cent., reflecting the fall in the December consumer price index.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Up another 13 on hectic buying

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Jan. 6.

HECTIC FOLLOW-THROUGH support again sent Wall Street broadly higher to-day, assisted by indications that the U.S. Federal Reserve might be relaxing its monetary policy again.

The Dow Jones Industrial Average strengthened another 12.99 to a new 1975-76 peak of 890.82, making a rise of 32.11 in two days. The NYSE All Common Index moved up another 57 cents to $49.51, while gains outpaced losses by more than a four-to-one majority. Trading volume shot ahead another 9.31m. shares to 31.27m.—the highest since March 11, 1975, when 31.789m. were traded.

The continued rally was encouraged also by news of another strong gain in car sales in mid-December and also by a surge in December Retail sales.

Year-end tax selling was over, and a large number of block trades indicated Institutional buying.

Aztec Oil and Gas climbed $7⅞ to $23¼—it rejected an offer by Mesa Petroleum, up $¼ to $21½, to buy outstanding shares at $22 each.

MCA added $4 at $70¼—its film "Jaws" has grossed $33.1m. from recent openings at foreign theatres. But Metro-Goldwyn-Mayer shed $¼ to $13½ after reporting lower earnings.

Whirlpool rose $1 to $26½ on 346,300 shares.

General Electric were up $1½ to $49, U.S. Steel $1⅞ to $67½, and Dow Chemical $3½ to $97⅞.

Dr. Pepper moved ahead $1½ to $13¼, General Dynamics $1⅞ to $40½, Superior Oil $5½ to $176½ and Getty Oil $5¾ to $172.

Heublein gained $⅞ to $48¼—it estimated December quarter net rose by 20 to 22 per cent. from a year earlier.

The American SE Market Value Index moved up another 1.38 to 87.33, while advances outnumbered declines by 577 to 168.

Houston Oil and Minerals added $1¼ at $31¼ on its extension of its Bolivar Field in Texas.

Champion Home Builders gained $½ to $4¾.

PARIS—French shares firmer across the board in active trading.

Foods, Electricals and Oils were the leading sectors. Carrefour put on Frs.20 to Frs.2,010.

Strong movers in other sections included Bancaire, Prisunic, CFAO, Chiers, Roussel-Uclaf, Oreal, Borel, Generale de Fonderie and Michelin.

Pechiney Ugine-Kuhlmann gained Frs.2.9 to Frs.110.9—investors had already anticipated its 1975 loss forecast.

The Foreign sector was also well-traded, led upwards by Americans. But Dutch issues showed a little weakness.

Gold Mines were weak, notable in East Rand and Western Deep.

BRUSSELS — Prices further advanced in lively trading.

Steels rose. Cockerill gained Frs.14 to 970 and Arbed Frs.120 to 4,120. In higher Metals, Union Miniere were up Frs.16 to 1,336 and Hoboken up Frs.120 to 3,855.

Among firm Chemicals, Solvay increased Frs.55 to 2,695. Petrofina improved Frs.120 to 5,190 in higher Oils. Among firm Holdings, Cobepa advanced Frs.18 to 1,046.

U.S. issues continued their uptrend among Internationals, where the French sector was firm. German shares were little changed, while Dutch issues eased.

Markets in the following countries were closed yesterday for Epiphany: Argentine, Austria, Greece, Italy, Spain, Sweden, Uruguay and West Germany (Munich and Stuttgart).

GERMANY — Markets closed lower, mainly on profit-taking and amid lively trading, due to the holiday closure of Bourses in South Germany.

AEG, however, moved up DM2 to 96, VW added DM1 at 145.50 and Conti Gummi rose DM2.50 at 102.

Engineerings lost between DM3.50 and DM6. Steels shed up to DM1.50 although Kloecknerwerke were down DM4 at 137, while leading Banks and Stores declined up to DM2.50.

SWITZERLAND — General improvement, despite the weak dollar. Trading was active.

Banks opened sharply up but closed below the best. Union Bank gained Frs.170 to Frs.3,740. Swiss Credit Bank Frs.30 to Frs.2,890.

Insurances were steady throughout the session.

Industrial, Chemical and Financial sectors were better.

In an active Foreign sector, Dollar stocks generally closed very steady, while Dutch Internationals and Germans fluctuated narrowly.

OSLO—Industrials and Banks were firmer, while Shippings and Insurances were steadier.

COPENHAGEN—Irregular, but with a firmer undertone in very active trading.

AMSTERDAM—Generally easier on profit-taking, with Dutch Internationals mixed to lower.

Van Ommeren fell Fls.6.5 to Fls.251.5 and Nationale Nederlanden Fls.1.2 to Fls.93.7.

Middenstandsbank were very weak in steady to lower Banks. Albert Ahold shed Fls.0.7 to Fls.107.8, despite its 18 per cent. sales rise in 1975.

IHC Holland rose Fls.1 to Fls.35.8.

Investment Funds were firm. State Loans eased.

TOKYO—Market advanced as interest spread over a wide front. Volume 350m. (180m.) shares.

Sony were lifted Y130 to Y2,470 on plans to expand its business activities overseas.

Shipbuildings, Steels and Heavy Machineries rose widely with good volume, partly because of buying by foreign investors.

Sumitomo Metal put on Y6 to Y139, Tokyo Shibaura Electric Y8 to Y130, Hitachi Shipbuilding Y7 to Y137 and Mitsubishi Heavy Industries Y9 to Y149.

HONG KONG—Mixed in slow trading.

Hong Kong Bank were up 20 cents to $HK18.60, New World 1 cent to $HK1.42, and Hong Kong Telephone 40 cents to $HK16.50.

But Hong Kong Land were down 10 cents to $HK7.50, Hutchison 2½ cents to $HK2.30, Jardine 10 cents to $HK24.20 and Wheelock "A" 10 cents to $HK3.40.

JOHANNESBURG—Gold shares were easier, following the lower bullion fixing.

Financial Minings were mixed. UCI rose 5 cents to R360, while Amcoal traded at R640.

Industrials recorded small gains across the board.

AUSTRALIA—Generally firm, despite some late profit-taking.

Among Minings, MIM rose 7 cents to $A2.20 and Central Norseman advanced 10 cents to $A1.50.

Financiers, Banks, Brewers, Stores and Retailers attracted keen support.

BHP gained 10 cents to $A7.14, as did Bank of NSW to $A6.74.

Philip Morris jumped 40 cents to $A10.30.

OTHER MARKETS

Canada up again

The upward movement made further headway following a strong buying surge on Canadian Stock Markets yesterday, when all sectors participated in the rise.

The Industrial Share Index rose 1.62 to 177.36, Golds 1.67 to 269.08, Base Metals 1.35 to 75.39, Western Oils 1.78 to 200.22, Utilities 0.46 to 127.17, Banks 0.82 to 249.99 and Papers 1.31 to 98.95.

Alcan Aluminium improved $1⅜ to $22⅜, Seagrams $1⅝ to $29 and Texasgulf $1¼ to $30.

Bank of Nova Scotia put on $¾ to $41¼ on 58,729 shares.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.	Util.	Trading volume† 000's
Jan. 6	69.57	181.32	890.82	87.36	31,270
5	69.23	178.57	877.83	86.43	21,960
2	69.11	176.69	858.71	84.84	10,300
Dec. 31	69.02	172.65	852.41	83.65	16,970
30	69.06	171.21	853.41	22.69	16,040
29	68.87	170.85	856.66	82.78	17,070
26	68.72	170.68	259.21	82.75	10,020
24	68.58	169.12	851.94	82.12	11,150
23	68.65	167.20	843.76	81.19	17,750
22	68.56	166.55	832.63	81.35	15,340
19	68.41	166.95	844.38	81.16	17,720
18	68.38	167.81	852.09	81.42	18,040
17	68.34	166.09	846.27	81.32	16,660
16	66.21	165.62	844.30	81.35	18,550
15	68.18	164.54	836.69	81.13	13,960
12	68.09	164.78	832.81	81.00	15,100
11	68.15	165.11	232.75	80.94	15,500
10	68.17	166.07	833.99	81.03	15,680

1975-76 High, Low; All-time High, Low [illegible]

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Jan. 2	Dec. 26	Dec. 27 1974
4.37	4.36	6.26

N.Y. SE ALL COMMON INDEX

1975-76 High 51.24 (15/7), Low 37.[illegible]

RISES AND FALLS

Issues traded 1,836 [illegible]

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975-76 High 88.88 (15/7), Low 62.[illegible]

STANDARD AND POORS U.S. STOCK INDICES

Jan.	6	104.82	93.53
..	5	103.53	92.58
..	2	101.64	90.90
Dec.	31	100.88	90.19
..	30	100.46	89.77
..	29	100.90	90.13
..	26	101.07	90.25
..	24	100.18	89.46
..	23	99.36	88.73
..	22	98.63	88.14
1975-76 High		107.40 (15/7)	96.91 (15/7)
1975-76 Low		77.71 (8/1)	70.74 (8/1)

* 425 Industrials. † 425 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	Dec. 31 1975	Dec. 26 1975	Dec. 18 1974
Ind. Ord. yield pc.	3.73	3.75	5.01
Ind. Ord. p/e ratio	12.43	12.48	7.47
Long-term Govt. Bds. per cent.	5.99	6.04	6.28

TUESDAY'S ACTIVE STOCKS

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Dec. 29	Dec. 18	Dec. 4
On Dividends	5.89	6.00	5.92
On Earnings	9.77	9.94	9.48

SYDNEY ALL ORD. INDEX

Jan. 6	Jan. 5	High 1975-6	Low 1975-6
450.61	445.32	450.61 (6/1/76)	288.88 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

Jan. 6	Jan. 5	High 1975-6	Low 1975-76
328.81	326.26	333.11 (2/7)	268.24 (10/1)

HONG KONG INDEX ●

Jan. 6	Jan. 5	High 1975-6	Low 1975-6
360.34	361.20	361.20 (5/1/76)	160.42 (9/1)

SINGAPORE INDEX §

EUROPE

TORONTO

MONTREAL

JOHANNESBURG

OVERSEAS SHARE INFORMATION

NEW YORK

CANADA

GERMANY ◆

MILAN

PARIS

BRUSSELS/LUXEMBOURG

SWITZERLAND ●

AMSTERDAM

COPENHAGEN

VIENNA

AUSTRALIA

TOKYO ¶

STOCKHOLM

OSLO ◆

JOHANNESBURG

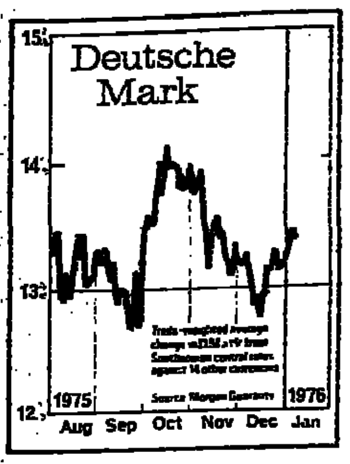
SPAIN ♥

Dollar erratic

The U.S. dollar finished in the middle of the day's range in terms of most major currencies yesterday, though some movements were distorted by the closure of certain European centres for a religious holiday. Turnover was fairly active, with the U.S. unit recording erratic up and down movements during the day. There were indications that the Swiss authorities may have given further support to the dollar, which finished at SwFrs.2.59375, compared with SwFrs.2.5905 on Monday. The Bank of Japan was reported to have bought around $20m., but the yen showed little change on balance. The dollar's trade-weighted average depreciation against 14 major currencies since the Washington Currency Agreement, as calculated by Morgan Guaranty of New York on noon rates, continued to widen to 2.17 per cent., from 2.07 per cent. previously.

Sterling showed little change on balance against the dollar, finishing at $2.0322-2.0327, compared with $2.0320-2.0330 on Monday. The pound touched $2.0350-2.0355 during the morning, but eased to $2.0312-2.0317 during the afternoon. Its trade-weighted average depreciation against 10 major currencies since the Washington Agreement, as calculated by the Bank of England, widened to 30.1 per cent. from 30 per cent., after standing at 30 per cent. at noon and in early dealings.

Gold gained $¾ to close at $138½-139½ in steady trading. The krugerrand finished at $143½-145½ for domestic delivery, and its premium over the gold content narrowed to 3.59 per cent. from 4.15 per cent. in the domestic market, but widened to 3.41 per cent. from 3.25 per cent. in international dealings.



SPECIAL DRAWING RIGHT RATES

One SDR is equal to	Jan. 6	Jan. 5
Sterling	0.577938	0.578458
U.S. dollar	1.17466	1.17256
Belgian franc	46.0731	46.1236
Deutsche mark	3.05682	3.06127
French franc	5.21980	5.22990
Italian lira	—	—
Japanese yen	358.271	358.390
Dutch guilder	3.13634	3.13430
Swedish krone	—	—

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

Jan. 6	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf'rt		2.598-599	58.61-68.52	6.63-64	5.283-293	97.50-60	100.25-35
N.York	38.46-48	—	22.49-51	2.5673-92	2.0327-0332	37.47-49	38.56-56
Paris	170.65-.05	4.4387-4437	—	11.5529-3535	9.0225-475	166.45-.25	171.15-40
Brussels	15.6 09	39.14-17	8.80-82	—	78.52-64	14.68	15.10-14
London	5.27½-28½	2.032-033	9.03-04	75.55-75	—	5.41½-42½	5.26½-27½
Am'erdam	102.545-595	2.6687-6712	60.005-066	6.8035-25	5.4245-85		102.295-945
Zurich	99.65-77	2.6905-20	58.32-38	6.6125-6225	5.265 270	97.15-23	—

U.S. $ in Montreal: U.S. $=101.22-24 Canadian cents.

EURO-CURRENCY INTEREST RATES*

GOLD MARKET

FOREIGN EXCHANGES

OTHER MARKETS

FORWARD RATES

FARMING AND RAW MATERIALS

Fertiliser price rise announced

By Our Commodities Staff

SECOND company, UKF Shell-r, has announced an increase fertiliser prices. Following announcement last week by of increases of up to 6 per it., UKF Shellstar says that nitrogenous fertilisers go up 4.3 per cent. from to-day nuary 7). Compound fertili-rs will go up by 3.5 to 5.5 cent., depending on grade, m February 1.

he increases, caused by her costs of raw materials, our and freight, have been sed by the Price Commission.

he company also says that it packing all its fertilisers in kilogram net weight bags, in with the industry's aim to ply only metric quantities to mers by June this year.

The change to metric bags l not affect the price for a cific quantity, although the g net bags themselves con-ı about 0.6kg less than the 1 cwt gross bags," it says.

NZ lamb shipment costs to increase

WELLINGTON, Jan. 6.

E COST of getting New land lamb to Britain could p by 25 per cent. in the rent season, it is calculated e. Estimates suggest that, April, the cost of delivering amb to Smithfield will have n to $11.15 (£5.50)—an ease of $2.21 (£1.10) from corresponding period in 1975. s is for killing, processing freight charges only. It s not include payment to the farmer.

ost of the increased cost of ght and transportation will outside of NZ; internal kill- and processing costs will be by 13 per cent. In contrast, ide charges—mainly freight, sportation and storage—will ıp 32 per cent. At the same , from January 1 the EEC oms tariff rose from 12 to er cent.

hroughout the whole of the s the cost of getting NZ to market remained rela-y stable, increasing by only per cent. during the whole de. Since 1971, the cost has eted by 272 per cent.—a p of $7.05 per carcase. Ship-, freight, processing and r costs have more than led.

farmers are complaining their returns have not kept with increased costs.

New setback for Soviet grain production feared

BY PETER BULLEN

FEARS OF a new setback for Soviet Union grain production were raised yesterday by reports from Moscow of a lack of adequate snow cover on winter grain crops to protect them from sharp frosts.

Reuter reported that Western experts in Moscow had pointed out that weather reports said the snow cover was below average in several of the main winter grain growing areas.

But although conditions at present are unfavourable, it is far too early to estimate possible frost damage to the winter crop which provides up to one-third of the total Soviet harvest.

AP-Dow Jones also reported from Moscow that the agriculture newspaper, Rural Life, had said the snow cover "had completely disappeared in Byelorussia, the Baltics and almost the whole Ukraine." There was no protective covering of snow in such areas as Pskov, Smolensk, Bryansk, south of Kaluge and Tula, the report added.

Should lack of snow covering lead eventually to any large loss of the winter crop, it will be a double blow to the Soviet Union, following the past season's disastrous drop in grain output. No precise figure has been declared yet for the total USSR grain output this year, but it is now thought to be below 133m. tonnes—far below the official target for the year, which was set at 215.7m. tonnes.

Soviet farmers have been exhorted to produce as much grain as possible in 1976 to cut down the country's huge foreign exchange spending on imported supplies. Any loss of winter grain would impose a severe handicap on their chances of gathering a reasonable harvest.

U.K. prices

The Home Grown Cereals Authority in London has forecast, meanwhile, that there is little prospect of a significant decline in U.K. cereal prices for the rest of the 1975-76 season with the higher level of 1975 EEC support prices.

In fact, as EEC threshold and intervention prices rise by monthly amounts of 80p a ton, market prices may tend to rise. A continuing low world market price will result in the British threshold price having a continuing impact on cereal price formation in the U.K., it says.

The effect of the 2m. tons drop in home-grown grain supplies and the consequent rise in imported supplies is also likely to produce firm British grain prices. But world prices would have to climb by a further 15 to 20 per cent. before they could again dominate the U.K. market, the

John Wicks reports from Zurich: Despite the stabilising influence on prices resulting from the U.S.-Soviet grain agreement, the world cereals market may be expected to continue showing marked fluctuations this year. This is stated by Mr. Ernest Matthey, managing director of an international cereals trading concern.

These fluctuations will last until it is possible to lay down large world-wide grain reserves, he claims, writing in the latest issue of the Swiss credit banks bulletin.

Mr. Matthey, who expects a constant rise in demand and an encouraging effect of increasing produce prices on supply, says this winter's cereal sowings have taken place under normal conditions in North America and Europe, but they have apparently suffered again from dry conditions in the Soviet Union.

Copper market firmer

By Richard Mooney

A WAVE of speculative buying boosted copper prices on the London Metal Exchange yesterday. Values closed at the day's highs before going further ahead in after-hours dealings.

Encouraged by an unexpected rise in the New York market, cash wirebars ended the day £7.5 higher, at £613.25 a tonne, while the three-months price gained £6.75, to £581.25. Market turnover was higher than of late.

Tin prices also advanced following a further rise in the Penang market. Cash tin ended at £3,086.5 a tonne, up £11, mainly as a result of speculative interest.

In contrast, the cash zinc price declined £1.375, to £345.375 a tonne, but this was seen as a modest fall in view of Monday's announcement by Asarco in New York of a reduction in its zinc metal prices.

The new Asarco price of 37-37.5 cents a pound, however, is still well above the LME level, which is equivalent to 32 cents a pound. It remains to be seen whether other smelters will feel it necessary to follow the Asarco move. Lead prices finished virtually unchanged in a featureless market.

Lardinois in U.S. for farm talks

BY ROBIN REEVES — BRUSSELS, Jan. 6.

MR. PIERRE LARDINOIS, the Brussels Commissioner responsible for agriculture, flew to Washington to-day for talks with his opposite number, Mr. Earl Butz, the U.S. Agriculture Secretary.

The two men can be expected to engage in some plain talking on points of friction in U.S. European farm trade relations. High on the list is the Commission plan to dispose of the Community's 1m.-tonnes skim-milk powder mountain through its compulsory incorporation in animal feed next summer.

The American administration has already voiced its dislike of this proposal on the ground that it would damage traditional U.S. soyabean and feedgrain exports to Europe.

Mr. Lardinois, on the other hand, is likely to argue that the compulsory incorporation of 600,000 tonnes of skim — if accepted by the EEC Council of Agricultural Ministers, which is by no means certain — is a one-off operation, and preferable to dumping on the world market. He could add that the Commission has taken account of American objections by dropping an initial plan to tax U.S. soyabean imports and so make surplus skim stocks price-competitive.

Another issue is that of Irish beef exports to the U.S. The Council of Ministers meeting last month expressed annoyance at the threat of U.S. countervailing duties being imposed on Irish beef imports, should export restitutions (subsidies) on this product be stepped up.

The threat of countervailing duties appears to have receded but, worse still, Irish beef has been awarded a nil quota under America's "voluntary" beef import arangements:

It remains to be seen whether Mr. Lardinois will succeed in having the U.S. market opened for some Irish beef. Prior to EEC entry, Ireland shipped many thousands of tons of cow beef for manufacturing to America. This trade has subsequently dwindled, however, partly as a result of intervention.

But Mr. Lardinois will have no need to raise the question of another countervailing duty threat—on canned exports by Denmark and Holland. The trade was given a clean bill of health by U.S. investigators a fortnight ago.

Broadly, the EEC commissioner and Mr. Butz are bound to review progress on the agricultural content of the multilateral trade negotiations in Geneva and long-term plans to establish an international grains arrangement with reserve stocks.

Mr. Lardinois will also take the opportunity to explain in detail his EEC farm price proposals for the 1976-77 season, which envisage an average 7.5 per cent. rise in common farm prices from March this year.

Pakistan cotton shortfall

BY IQBAL MIRZA — KARACHI, Jan. 6.

A SHORTFALL of about 20 per cent. looks certain in the Pakistan 1975-76 cotton crop. This would mean a loss of about $130m. in the crop's value.

The crop was estimated around 3.7m. bales. But due to untimely rain, erratic water supply, inadequate use of fertiliser because of high prices, and lack of anti-pest and disease measures the crop is now estimated at 2.8m. to 3m.

This means that it will be sufficient only to meet the demand of the local textile industry, which is expected to consume between 2.7m. and 2.9m. bales. But for the 500,000 spindles closed down last year, consumption by the local industry would have been much higher.

The situation could still turn out to be bad if reports that the Government sponsored Cotton Export Corporation has already committed about 200,000 bales for export prove correct.

This shortage created a tremendous upsurge in local cotton prices, leading to a demand by the industry that hedge trading be suspended to arrest the prices spiral and check further exports.

Cane sugar price rise target

BY CANUTE JAMES — KINGSTON, Jan. 6.

REPRESENTATIVES OF the 15 sugar exporting countries of the African, Caribbean and Pacific (ACP) group are hoping to obtain a 33½ per cent. increase in prices to be paid by the EEC for cane sugar to be delivered in 1976-77 delivery period, starting on July 1.

Official sources in Kingston have indicated that they expect the negotiations, tentatively sceduled for not later than May, to be as difficult as last January's, as there was a strong indication that the EEC Commission would recommend to the Community's agricultural ministers an increase of 8 per cent.

In a series of meetings in Kingston, Mauritius and Malawi last month, ACP sugar exporters arrived at the 33½ per cent. figure on the basis of increased costs of machinery, fertiliser and other inputs into the industry, and the fallen value of Sterling.

The exporters maintain that this is a rational figure, despite the fact that the world sugar price has plummetted from the record high of last January, when the price of £260 a ton was negotiated with the Community and Britain's Ministry of Agriculture.

The sources also report that the sugar exporters will be asking the EEC to make the price to be negotiated in May applicable to all shipments made between this month and June.

The previous agreement which gave the exporters a total price of £260 a ton expired at midnight last Wednesday. There is a feeling within the ACP group that this request could be entertained as, they say, such retroactivity is provided for under protocol three of the Lomé Convention.

All their spokesman was willing to say was that, as far as the shipment of 1.3m. tons annually is concerned, the ACP group would ask that the "principle" of the supplement be maintained.

There has already been initial contact between ACP negotiators and the U.K. Government. Another more detailed meeting is expected this month.

Gale damage bill mounts

THE WEEK-END gales have added a £1m. repair bill to the multi-million-pound extra costs already faced by Britain's glasshouse producers this year, Sir Henry Plumb, president of the National Farmers' Union, said.

Farmers generally suffered badly, but the glasshouse producers suffered "perhaps the heaviest single blow," he said.

The recent wage award, due to come into effect later this month, and the move to give women equal wages, would together add £30m. to the horticultural industry's wages bill in the next year—a significant part of which will be borne by the glasshouse sector. "On top of this, we have an extra £6m. fuel bill and now a £1m. damage bill," he said.

Sri Lanka expects higher rice output

COLOMBO, Jan. 6.

SENIOR government officials hope Sri Lanka's rice production can be increased by 83,000 tonnes annually after the opening next Thursday of the first stage of a Rs.10,000m. irrigation scheme.

The 206-mile river Mahaveli is due to be diverted at Pologolla, near Kandy, and will irrigate some 900,000 acres of Sri Lanka's northern and central dry zones when the 20-year scheme is completed.

The officials hope the scheme will end the country's dependence on rice imports. They believe that self-sufficiency in food is within reach.

Reuter

John Cherrington reports from the Oxford Farming Conference

Warning on food surpluses

FARMERS ATTENDING the 30th annual Oxford Farming Conference could well be confused by the content of papers given here yesterday.

The theme of the conference is set out in the words production, productivity and profit. But after paying lip service to the concept of profit as the mainstay of successful farming, participants in the discussions seemed to have but an imperfect understanding of the relationship between productivity and production.

Everyone approved of productivity as measured in terms of output per man, or per acre. Indeed, Mr. Adrien Ries of the EEC Commission illustrated just how increased productivity had always been that body's main aim.

But then he warned that there were signs of over-production in some sectors, instancing milk products, soft wheat and beef. Any increased production in these items would be a positive embarrassment to get rid of without great expense.

Even the panacea of food aid to the underdeveloped countries would be better served by buying skimmed milk from New Zealand for that purpose more cheaply than from the Community.

Mr. Ries demonstrated to the farmers a perfect example of the Eurocrat: full of facts and tables based on academic research, but with no conception of how surpluses, shortages and other problems could be dealt with in practical terms.

We were brought to earth by Brian Gardner, a journalist based in Brussels, who said that British farmers should drop the idea that they were in any way more efficient than their fellows on the Continent.

They would all come under pressure from political sources before long to try and reduce surpluses which were apparent in the milk, sugar, beef and wheat sectors.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Gained further ground in active trading on the London Metal Exchange. Prices initially failed to respond to the overnight firmness of the market with forward metal trading around the £607 level in a good two-way turnover. When the U.S. market opened higher than expected, prices here moved up in sympathy and a combination of speculative demand, trade buying and covering against earlier physical sales pushed forward metal up to £614 by the close of the afternoon Kerb. The uncertain situation in Angola and the possible closure of the Bougainville mine following a pay dispute also helped the upward movement. Turnover 38,125 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £587, 86.5, three months £607, 7.5, 7, 8, 7.5, 7, 6.5, 7. Cathodes: cash untraded, three months £593. Kerb: Wirebars: cash £588.5, three months £606.5, 7. Cathodes: all carries. Afternoon: Wirebars: cash untraded, mid-Feb. £600, late Feb. £603.5, three months £611, 12, 13, 12.5, 12, 13.5, 13, 12.5, 13, 13.5. Cathodes: cash £581.5, three months untraded. Kerb: Wirebars: late Feb. £605, three months £614, 13.5, 14, 13, 13.5, 14. Cathodes: all carries.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	586-.5	+7	593-4	+7.75
3 months	605-7	+6.75	613-.5	+7.5
Settlem't	586.5	+7	—	......
Cathodes				
Cash	573-.5	+6.5	581-.5	+6.75
3 months	593-.5	+6.5	601-.5	+6.75
Settlem't	573.5	+6.5	—	......
U.S. Prmt.	—	......	*63-63.7	......

TIN—Up on balance. Prices were initially hesitant in early dealings despite the rally in Penang overnight but they later turned upwards following speculative demand coupled with trade covering against U.S. and European physical demand. A modest widening of the contango resulted from lending of cash metal in early dealings. Turnover 1,260 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	3070-2	—5	3085-8	+11
3 months	3135-7	—1.5	3149-50	+12
Settlem't	3072	—5	—	......
Standard				
Cash	3070-2	—5	3085-8	+11
3 months	3136-7	—1.5	3149-50	+12
Settlem't	3072	—5		
Straits E.	$1,959	+2		
New York	—	......	302.50	

Morning: Standard: cash £3,070, three months £3,135. High Grade untraded. Kerb: Standard untraded. High Grade untraded. Afternoon: Standard: cash £3,085, three months £3,140, 42, 45, 50, 48. High Grade untraded. Kerb: Standard untraded. High Grade untraded.

LEAD—Little changed in quiet trading, carries boosting the turnover to [illegible] tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	
Cash	167.75-8	......	168-.5	
3 months	174.75-5.25	—.125	175.25-.5	
Settlem't	168	......	—	
N.Y. Spot	—	......	19.22½	

Morning: Cash £168, 67.75, three months £175.5, 75.25, 75. Kerb: Three months £175. Afternoon: Cash untraded, three months £175.5. Kerb: Three months £175.5.

ZINC—Lost ground. The price cut by Asarco and the initial absence of independent producer support saw cash fall to £345 with forward at £356. A modest recovery from those levels was prompted by the afternoon firmness of copper and also renewed demand for cash metal which was thought in some quarters to have been producer inspired. Turnover 3,200 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	
Cash	344.75-5.25	—2.5	345.25-.5	
3 months	356-.25	—2.62	357-.25	
Settlem't	345.25	—2.75	—	
Prim. West	—	......	*38½-9	

Morning: cash £344.5, 45, early Feb. £353.25, three months £357, 56.5. Kerb: Three months £358. Afternoon: Cash £345, three months £356.5, 56.75, 57. Kerb: Three months £357.5, 57.

* Cents per pound. † On previous unofficial close. ‡ $M per picul.

SILVER

Silver was fixed 1.85p an ounce higher for spot delivery in the London bullion market yesterday at 208.9p. U.S. cent equivalents of the fixing levels were: spot 424.7c, up 4.7c; three-month 4[illegible], up 4.3c; six-month 440c, up 4.6c; 12-month 459.8c, up 4.6c. The metal opened at 208½-209½p (423½-425½c) and improved during the afternoon, reflecting the firmer trend of New York market, to close at best level of the day, at 212-212½p ([illegible]).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	208.9p	+1.85	212.05p	[illegible]
3 months	214.8p	+1.80	218.05p	[illegible]
6 months	221.2p	+1.80	—	
8 months	—	......	226.7p	[illegible]
12 months	235.2p	+1.70	—	

LME—Turnover 115 (84) lots of 10,000 ozs. Morning: Three months 214.5, [illegible] 4.8, 4.8. Kerbs: Three months [illegible]. Afternoon: Cash 209.9; three months [illegible] 5.8, 16, 17.5, 7.8, 18, 8.2, 8.3, 8.2, 8.[illegible]. Kerbs: Three months 218.1, 17.8, 17.7.

COCOA

Day's lows were established at the opening call. Thereafter prices steadied in quiet conditions to close with net gains, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No.6 Contract			
March	739.0-40.0	+3.75	744.0-[illegible]
May	722.0-23.0	+3.25	725.0-[illegible]
July	709.0-10.0	+3.5	710.0-[illegible]
September	694.0-96.0	+7.75	696.0-[illegible]
December	674.0-75.0	+7.75	672.0 [illegible]
March	664.0-66.0	+7.25	—
May	658.0-65.0	+7.25	—

Sales: 2,615 (2,883) lots of 10 tonnes.

International Cocoa Agreement prices: Daily 64.33 (64.29) U.S. cents per pound. Indicator 15-day average 62.08 (61.[illegible]). 22-day average 60.50 (60.05).

FREIGHTS

DRY CARGO—Chartering is still far from normal. Brokers expect several more days to elapse before a return to reasonable trading conditions.

Grain charterers fixed a cargo of wheat from U.S. N. Pacific to Acajutla/Bilbao range at $12.75 free discharge for prompt loading. In the ore section, business developed from Tubarao to Netherlands at $3.40 f.i.o. for Jan. and from Lower Buchanan to Dakar at $3.70 f.i.o. for Jan. Miscellaneous chartering included phosphate from Dakar to Bordeaux at $7.10 gross terms for Jan. Timecharterers [illegible]

COFFEE

[illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

GRAINS

[illegible]

Feb. £64 paid South Coast, Feb. £64.25 paid East Coast.

Maize—No. 3 Yellow American/French Jan. £65.50, Feb. £66.50, March £68.25 transhipment East Coast. South African White Jan. £68.25, Feb. £69.50, March £69.75 U.K. South African Yellow Jan. £67.25, Feb. £67.50, March £67.75 U.K.

Barley—EEC feed Jan. £65, Feb. £65.75 East Coast. Rest unquoted.

LONDON GRAIN FUTURES MARKET [illegible]

SUGAR

[illegible]

WOOL FUTURES

[illegible]

MEAT/VEGETABLES

[illegible]

COVENT GARDEN (Prices in sterling)—Imported produce: Oranges—Spanish: 1.80-2.30; Jaffa: Shamouti/Navels 2.65-3.50; Egyptian: 2.00; Cypriot: 2.50-3.20; Sevilles/Bitters: 3.70-3.80. Satsumas—Spanish: Per tray 2.30-2.50. Clementines—Cypriot: 2.80-3.20; Moroccan: 3.10-3.50. Lemons—Italian: 3.20-3.50; South African: 3.00-3.70; Greek: 3.00-3.60. Apples—French: Per 20 lbs Golden Delicious 72/84 1.50-1.80. [illegible]

JUTE

[illegible] 10-oz. 40-in. £7.28, 7½-oz £5.41 per 100 yards. February £7.40 and £5.54, March £7.54 and £5.65. "B" Twills: £21.58, £21.91 and £21.21 for the respective shipments periods. Yarns and cloths very firm.

LONDON—Quiet. Bangladesh White "C" grade Jan.-Feb. £195. "D" grade Jan.-Feb. £188. A long ton.

CALCUTTA—Steady. Indian Rs480.00. Dundee Daisee Rs430.00 values. A bale of 400 lbs.

★

COPRA—Philippines: Jan. $205, Feb. $208, March $210 resellers per tonne c.i.f. North European ports.

★

HIDES—Manchester. Firmer with a complete clearance. Second clear ox 31-35½ kilos, 31.3p per kilo; 26-30.5 kilos, 34.6p; 22-25.5 kilos 37.7p. Light cows 33.8p. No calf offered.

★

GRIMSBY FISH—Supply poor, demand very good. Prices at ship's side (unprocessed) per stone: Shelf cod £3.00-£3.50, codlings £2.00-£2.60; large shelf haddock £3.50, medium £4.00, small £2.70; medium skinned dogfish £5.00; rock fish £2.00; saithe £2.90-£3.20.

★

MCA CHANGES unlikely. The Intervention Board for agricultural produce said it had been advised monetary compensation amounts for U.K. and Ireland were unlikely to change for the week commencing January 12.

FLOODS DAMAGE HAMBURG COFFEE

HAMBURG, Jan. 6.

German coffee industry sources estimate that between 15,000 and 30,000 bags of coffee (of 60 kilos each) were damaged by flooding in the Hamburg dock area last week-end. But they say the coffee will not be completely lost as the quayside stores lie along the Elbe river. The floodwater may not ruin the quality and taste as much as salt sea-water would have done.

Reuter

JAVA PLANS MORE SUGAR FACTORIES

JAKARTA, Jan. 6.

The Indonesian Government would build six more sugar factories in Java to meet growing domestic demand, agriculture ministry officials said.

There were 53 sugar plants in Java and two in Sumatra with a total output of about 900,000 tonnes annually.

Reuter

PRICE CHANGES

Prices per ton unless otherwise stated.

	Jan. 6 1976	+ or —	Month ago
Metals			
[illegible]			
Barley EEC	£65	+0.5	£67
Home Futures	£63.35	—0.05	£62.75
Maize			
French No. 3 Am.	£65.5	......	£66.25
S.A. Yellow	£67.25	......	£67.25
Wheat			
No. 1 Red Spring			
No. 2 Hard Winter			
Australian f.a.q.			†
English Milling	£66.5	......	£67
Cocoa Shipment (a)	£760	+3.5	£704
futures March	£722.5	+3.25	£675.25
Coffee Shipment (c)			
futures Mar. (a)	£792.5	+6.0	£754
Cotton 'A' Index			
cent	63.75*	+0.4	69
Jute LJABWC (d)	£195	......	£195
Rubber kilo	57.5p	—0.75	54.25p
Sisal RASL (a)	£600	......	£550
Sugar (Raw)	£165	—2.0	£150
Wooltops 64s kilo	210p	......	210p
Cloves (Madagascar)	£2,400	......	£2,480
Pepper White ton	£855	......	£935
Black ton	£730	......	£735

* Nominal. † Seller. ‡ Unofficial close. & Indicative price. a U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." ‡ Unquoted. n Seller's quotation. h Jan.-March. a Metric tons. r Sept.

FINANCIAL TIMES

Jan. 6	Jan. 5	Month ago	Year ago
175.10	175.26	169.66	181.26

(Base: July 1 1952=100)

REUTER'S

Jan. 6	Jan. 5	Month ago	Year ago
1184.0	1183.5	1144.5	1160.7

(Base: Sept. 18, 1931=100)

DOW JONES

Dow Jones	Jan. 6	Jan. 5	Month ago	Year ago
Spot	300.20	301.29	289.94	371.27
Futures	290.86	291.86	279.77	338.97

(Average 1924-25-26=100)

MOODY'S

Moody's	Jan. 6	Jan. 5	Month ago	Year ago
Spie Commodity	761.8	759.6	744.5	804.3

(Dec. 31, 1931=100)

★

COTTON—Liverpool. Spot and shipment sales in Liverpool amounted to 216 tons, bringing the total for the week so far to 693 tons. With prices on a nominal basis, ordering was relatively light. Minor pressure for Middle Eastern and South American supplies persisted. F. W. Tattersall reports.

U.S. Markets

Speculation on IMF meeting lifts silver

NEW YORK, Jan. 6.

AFTER initial carryover buying rallied copper, it closed around unchanged on local selling. Silver finished higher on speculative buying in front of this week's IMF meeting. Lack of follow-through of Commission House buying, coupled with commercial selling, closed grains lower. Sugar closed slightly lower on continued hedge selling, Bache reports.

Cocoa—Ghana spot 73 (same). Bahia spot 73 (same). March 66.15 (66.15), May 63.50 (63.45), July 61.45, Sept. 60.00, Dec. 57.65, March 56.05, May unquoted. Sales: 670.

Coffee—"C" Contract: March 86.95-86.65 (87.10), May 87.25-87.35 (87.45), July 87.50-88.10, Sept. 88.25 bid-88.30, Dec. 88.85-89.20. Sales: 233.

Copper—Jan. 56.00 (56.00), Feb. 56.30 (56.30 settlements), March 56.70, May 57.60, July 58.50 settlements. Sales: 231.

Cotton—March 61.85-16.90 (61.82), May 62.45-62.49 (62.25), July 62.40, Oct. 59.75-59.28, Dec. 57.29, March 57.60-57.70, May 57.70-57.85. Sales: 2,650.

ΦGold—Jan. 139.20 (139.00), Feb. 140.10 (139.60), March 140.90, April 141.30, June 142.70, Aug. 144.20, Oct. 145.80, Dec. 147.50, Feb. 149.20, April 150.90. Sales: 1,308.

Greasewool—Spot 170.0 nom. (same). March 164.5-170.0 (164.5), May 162.5-168.0 (162.5), July 160.5-165.0, Oct. 160.5-165.0, Dec. 160.5-165.0, March 160.0-165.0, May 160.0-165.0.

†Lard—Chicago loose 18.50 (18.75 nom.). NY prime steam 18.00 asked (18.25 asked).

††Maize—March 264½-264¼ (265-265½), May 269½-269¼ (270-270½), July 273½-273¾, Sept. 270½, Dec. 264, March 270½.

‡Platinum—Jan. 146.50 (147.00), April 149.30 (149.50), July 151.90-152.00, Oct. 155.20-155.30, Jan. 158.50-158.60, April 161.90-162.00 settlements. Sales: 256 lots.

‡Silver—Spot 432.00 (424.80), Jan. 429.50 (425.80), Feb. 430.50 (427.00), March 433.50, May 439.50, July 446.10, Sept. 452.40, Dec. 462.10, Jan. 465.20, March 471.60, May 478.00 settlements. Sales: 16,952 lots.

*Soyabeans—Jan. 456½-457½ (461½), March 465½-464½ (469¾), May 473-472½, July 480, Aug. 482½, Sept. 489-469½, Nov. 494, Jan. 501-500.

bSoyabean Meal—Jan. 131.30-131.50 (132.50-132.30), March 134.70-135.00 (135.30-135.60).

Soyabean Oil—Jan. 15.75 (15.67), March 15.80-15.75 (15.85), May 16.00, July 16.20, Aug. 16.30, Sept. 16.35, Oct. 16.40, Dec. 16.40-16.45.

Sugar—Spot 14.32 (14.50). March 14.04-13.98 (14.08), May 14.00-13.98 (14.09), July 13.96-13.93, Sept. 13.95-13.91, Oct. 13.89-13.93, Jan. 13.91 nom., March 13.95-14.05, May 13.95-14.00. Sales: 5,775.

Tin—294.00-311.00 asked (301.00).

**Wheat—March 347½-347 (350-350½), May 353½ (356½-356), July 355½-356, Sept. 362, Dec. 370.

WINNIPEG, Jan. 6. ††Rye—May 245 bid (250½ bid), July 242½ bid (246¼ asked), Oct. 238½ asked.

cOats—May 169 bid (168½ bid), July 164 bid (164½ asked), Oct. 157½ bid.

‡Barley—May 243½ (242), July 240 asked (239 bid), Oct. 234½ asked.

dFlaxseed—May 656 (659½ bid), July 655 bid (653½ asked), Oct. 653 bid.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 473½ (474½).

All cents per pound ex-warehouse unless otherwise stated. * Cents per 60-lb bushel ex-warehouse. Φ $'s per troy ounce—100-ounce lots. † Chicago loose $'s per 100 lbs—Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡ Cents per troy ounce ex-warehouse. b New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Decatur and Illinois. ‡ $'s per troy ounce for 50-ounce units of 99.9 per cent. purity delivered NY. ** Cents per 60-lb bushel in store. †† Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. c Cents per 24-lb bushel. § Cents per 48-lb bushel ex-warehouse, 3,000 bushel lots. d Cents per 56-lb bushel ex-warehouse, 1,000-bushel lots.

PUBLIC NOTICES

CITY OF MANCHESTER BILLS

[illegible] £8½m. will be issued on 7th [illegible], 1976, maturing 7th April, 1976, [illegible]% per annum. Total applied for [illegible]m. Bills outstanding £8½m.

[illegible]WYD COUNTY COUNCIL BILLS

Bills issued 6.1.76, maturing 6.4.76, [illegible]%. Applications totalled £5m. [illegible] are £3m. Bills outstanding.

[illegible]VON COUNTY COUNCIL BILLS

[illegible] £5m. will be issued on 6th [illegible], 1976, maturing 6th April, 1976, [illegible]% per annum. Total applied for [illegible]. Bills outstanding £5m.

COMPANY NOTICES

UNION CORPORATION GROUP

ANNUAL GENERAL MEETINGS

The Annual General Meetings of the undermentioned Companies (all of which are incorporated in the Republic of South Africa) will be held at Union Corporation Building, 74-78 Marshall Street, Johannesburg, on the dates and times mentioned below:—

Name of Company	Dates and times of Meetings	Transfer Books Closed from	to
[illegible]el Gold Mines Limited	Thursday 29th January 1976 at 9.30 a.m.	26th Jan.	29th Jan.
[illegible] Helena Gold Mines Limited	Thursday 29th January 1976 at 10.15 a.m.	26th Jan.	29th Jan.
[illegible]oss Mines Limited	Friday 30th January 1976 at 9.30 a.m.	26th Jan.	30th Jan.
[illegible]kelhaak Mines Limited	Friday 30th January 1976 at 10.15 a.m.	26th Jan.	30th Jan.
[illegible]e Gold Mines Limited	Friday 30th January 1976 at 11.00 a.m.	26th Jan.	30th Jan.
[illegible]ken Mines Limited	Friday 30th January 1976 at 11.45 a.m.	26th Jan.	30th Jan.

per pro. UNION CORPORATION (U.K.) LIMITED London Secretaries L. W. Humphries

[illegible]on Secretaries, [illegible] House, [illegible] Gresham Street, [illegible]on, EC2V 7BS [illegible] January, 1976

H. J. HEINZ COMPANY LIMITED

NOTICE IS HEREBY GIVEN that the [illegible] Books of the 6% Debenture 1975-84, and the 5½% Debenture 1976-85, of this company, will be [illegible] from the 17 to 30 January, 1976, [illegible] dates inclusive. [illegible]s Park, [illegible]wes, Middlesex. [illegible] December, 1975.

EUROPEAN COAL AND STEEL COMMUNITY

6½% TWENTY YEAR BONDS OF 1967 DUE MARCH 1st, 1987

The Commission of the European Communities announces that the fourth annual instalment of bonds amounting to US$1,700,000 has been purchased for redemption on March 1st, 1976.

7th January, 1976.

STOCK EXCHANGE REPORT

Long Gilts strong following exhaustion of "tap" stock

Equities improve in quiet trading—Index up 3.0 at 384.6

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Dec. 12	Dec. 23	Dec. 24	Jan. 7
Dec. 29	Jan. 8	Jan. 9	Jan. 20
Jan. 12	Jan. 22	Jan. 23	Feb. 3

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

A surge for long-dated British Funds, which spread to shorter maturities after the official close yesterday, was the outstanding development in Stock Markets. All other sectors were overshadowed as demand surprisingly exhausted official supplies of the long "tap," Treasury 13¾ per cent., 1997 "A," which ended 1⅝ higher at 91¼ and was continuing the upturn late in the evening; recent large-scale switching from the short "tap," Treasury 10½ per cent., 1979 "A," probably contributed to the exhaustion of the long issue. The burst of activity after the 3.30 p.m. close was a separate event for it unexpectedly revived the shorts, which had earlier tended to drift while being completely overshadowed, bringing rises extended to ½ and occasionally more. None of this affected the longer end, however, where business was described as the heaviest for some considerable while. The F.T. Government Securities index recorded its largest one-day gain since August 22 last, rising 0.55 to 61.01, thus extending the advance over the last 13 trading days to 2.60, or 4¼ per cent.

In contrast to the Gilt-edged sector, leading Industrials passed an uneventful day. The strong overnight showing on Wall Street was offset to a certain extent by the Department of Industry survey suggesting a further fall in manufacturing investment this year which resulted in a small two-way trade for most of the day. However, after fluctuating within narrow limits, buyers became a little more persistent in the late dealings and a gain of 1.4 in the F.T. 30-share index at 3 p.m. was extended to one of 3 points at the close of 384.6; the continuing strength of gilts in the "after-hours" helped sentiment in the late trading.

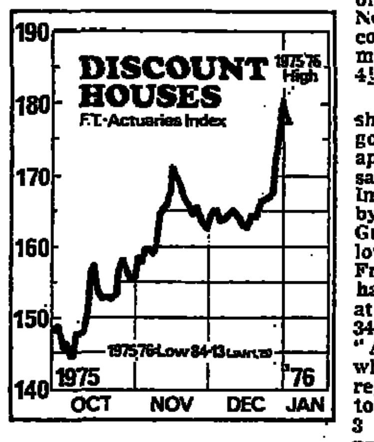
Despite the lack of activity in the leaders, the overall level of trade was quite brisk; official markings of 8,389 were the highest since November 19 last. Second-line equities continued to show a preponderance of modest gains, this being reflected in the 2-1 majority of rises over falls in F.T.-quoted Industrials. The more broadly based F.T.-Actuaries All-share index improved 0.3 per cent. to a fresh 1975-76 peak of 161.15.

Institutional and more general demand created busier trading conditions in investment currency, lifting the premium 2¾ points more to 113¼ per cent. Yesterday's S.E. conversion factor was 0.6067 (0.6055).

Composites better

A dull market on Monday on fears that claims arising from the widespread storm damage over the week-end could be substantial, Composite Insurances gave a much steadier performance yesterday. After a hesitant start, prices edged forward to close with improvements that ranged to 4 with sentiment helped in the late trade by a Press release from the BIA stating that losses arising from the gales would be much less than originally feared (around £20m.). Eagle Star closed 4 better at 124p as did the "new" nil-paid shares at 22p premium. General Accident hardened 3 to 160p and improvements of 2 were seen in Guardian Royal Exchange, 199p, "Royals," 306p, and Sun Alliance, 425p.

Still awaiting the expected reductions in Barclays', Midland's and National Westminster's base lending rates following last week's ½ per cent. cut by Lloyds, the big four Banks again spent a quiet session. Interest, however, picked up "after-hours" and Lloyds ended 7 better at 242p, with Midland 2 dearer at 292p. National Westminster, on the other hand, cheapened 3 to 252p and Barclays were unaltered at 305p. Overseas issues were featured by Hong Kong and Shanghai, which rose 7 to 303p on dollar premium



influences. Discounts cheapened further on light profit-taking. Cater Ryder shed 5 to 270p as did Gillett Bros. to 205p. Anglo-Continental did well in Merchant Banks at 51p, up 4, while Lloyds and Scottish put on 5 to 83p in Hire Purchases.

News of the bid discussions which are currently taking place with Bell Brothers of Western Australia helped Emu Wine jump 20 to 147p. Distillers edged forward 2 to 147p and Allied Breweries were a shade better at 69p; the latter's preliminary results are due to-morrow.

Buildings displayed no set trend after a moderate business. Wilson Connolly gained 4 to 46p as did F.C. Construction at 48p, while Milbury edged forward 2 to 58p on the interim profits. A.P. Cement, however, receded 2 at 193p and losses of between 2 and 4 were sustained by Richard Costain, 235p, Travis and Arnold, 114p, and Watts Blake, 100p.

ICI showed late firmness and closed 4 higher at the day's best of 341p. Elsewhere in Chemicals, Norsk Hydro responded to the continuing firmness of the investment currency premium by rising 4½ points to £43.

After Monday's uninspired showing, Store leaders attracted a good demand yesterday on fresh appraisal of the buoyant January sales and closed at the day's best. Improvements of 5 were secured by Marks and Spencer, 104p, and Gussies "A," 214p, the latter following news of the company's French expansion move. Debenhams gained 4 at 94p and UDS 3 at 93p, while British Home Stores, 340p, after 332p, and W. H. Smith "A," 338p, rose 6 apiece. Elsewhere, the excellent interim report failed to give fresh impetus to Allied Retailers, which closed 3 down at 115p, after 114p, on profit-taking. However, H. Samuel "A" rose 4 to a 1975-76 peak of 128p, helped by the interim dividend announcement. Baker's Household Stores were finally unchanged at 16p, after earlier hardening to 17p on the profits advance and news of a good start to the current year. Shoes were noteworthy for a rise of 7 to 130p in Church and Co.

Philips' Lamp continued to make headway and closed 25 higher at 940p, after a 1975-76 peak of 948p, still fuelled by Continental demand and the strengthening investment premium. Other leading Electricals tended to slip back a little further, but met renewed demand later which left small net gains on balance. Thorn Electrical, with interim results due January 21, were 6 firmer at a 1975-76 high of 232p, having shrugged aside Monday's news of its planned withdrawal from the colour television tube business. Net improvements of 2 were recorded in Plessey, 69p, and EMI, 240p, after 236p, while BICC closed a penny harder at 122p, after 119p, and GEC recouped an early loss of 3 to end unchanged on the day at 147p. Elsewhere, fresh support in a thin market left Ultra Electronic 5 up at 54p.

John Brockhouse became popular following the higher profits forecast and rose 8 to 180p, while Coated Metals gained 5 more to 90p, the latter still reflecting the bid approach from the private concern C. Walker. Other Engineerings worthy of mention included Bertrams, up 1½ at 22½p, and Newall Machine Tool, 1 better at 7½p, both on trading announcements. Birmingham Pallet put on 4 to 39p in response to second-half figures which, although lower, were better than expected. Stothert and Pitt revived with a gain of 5 to 103p, Peter Brotherhood gained 4 to 75p and Manganese Bronze returned to vogue at 10½p, up 1¼. Leading issues made limited progress late, Hawker improving 4 to 360p.

Foods sometimes regained small early losses, Tate and Lyle closing slightly better at 256p, after 253p. Cadbury Schweppes, however, stayed dull at 49½p, down 1¼, and J. Bibby shed 3 to 83p. Confectioners found occasional support in thin markets, Sayers rising 2 to 9p and Squirrel Horn a similar amount to 27p.

Prince of Wales Hotels put on 2 to 35p after the interim results and statement, but other Hotels were rarely altered. Swan Ryan picked up 1½ to 15p.

Extel advance

Miscellaneous Industrial leaders made a modest late rally. However, a dull exception was Wilkinson Match, 4 down at 151p, after 148p, on liquidation of bull positions following the first-half results which were near to expectations. Unilever rose 8 to a fresh 1975-76 peak of 450p. Pilkington slipped to 294p, but subsequently recovered to 298p, unaltered on balance. Elsewhere, Exchange Telegraph advanced 10 to 83p, deriving firmness from news of the closure of statistical cards competitor, Moodies Services. Press comment continued to aid Aaronson Bros., 2 harder at 57p. International Computers remained in demand and closed 5 higher at 121p. Hoover "A" moved up 10 to 315p, while gains of 6 were scored in H. Brammer, 93p, and Westminster and Country Properties, 21p. In contrast, Celestion Industries shed 1½ to 10½p, unsettled by the first-half profits contraction. Press comment on the full report brought a reaction to 106p in Petrocon, before hardening to 108p (a net loss of 5) on news of John Swire and Son's acquisition of a 14 per cent. stake at about 108½p per share. The Australian-based Broken Hill Proprietary were notable for a rise of 15 at 720p.

A late minor feature in Motors and Distributors was a surprise bid from Charles Hurst for Thompson-Reid, the terms of one Hurst share for every two T-R, or 25p cash per T-R, lifting the latter by 7 to 22p. British Leyland remained out of favour at 22p, down 4, on small selling.

A renewed small demand for Morgan Grampian found stock in short supply and the price rose to 58p before closing a net 5 higher at 56p. Newspapers edged forward on occasions. Paper/Printings also showed some marginal gains.

Properties higher

After starting a shade easier, Property leaders encountered renewed buying enthusiasm later with prices looking particularly firm in the "after-hours" dealings. Land Securities finished 4 higher at 194p, after 189p, and MEPC 3 firmer at 90p, after 86p, while English Property, 69½p, after 67p, and Amalgamated Investment and Property, 20½p, both ended 1½ better. Elsewhere, further favourable Press comment helped Stock Conversion to rise 8 more to 175p awaiting to-day's half-year results while, on further reflection of week-end Press comment, Percy Bilton gained 4 at 147p for a two-day advance of 9. United Real Property moved ahead 15 to 200p, while Haslemere Estates finished 7 higher at 203p, after an initial reaction to 192p. Anston Holdings, with interim figures expected to-morrow, hardened a penny more to 37p. The Australian Lend Lease were firm, rising 8 to 293p.

More Continental switching of a sizeable nature from Royal Dutch into Shell was the main feature of Oils although it raised the latter only 2 to 392p; Royal Dutch surged on, helped by investment currency influences, to a fresh peak of £35⅞ before closing ⅛ up on the day at £35¾. British Petroleum were relatively quiet, but finally 5 dearer at 595p, and Ultramar hardened 2 to 206p. Burmah traded frequently but lost the turn to 32p. Elsewhere, domestic market advices raised Ranger ½ to £11¼ and Sunningdale 15 to 495p. Siemens (U.K.), however, shed the latter amount to 270p.

Generally firm Overseas Traders had Australian Agricultural 6 higher at 98p and Paterson Zochonis 20 up at 460p.

Trusts and Financials contained a number of firm features. Outstanding were Cathay, which rose 11 to 29p on Far-Eastern advices, while slightly better-than-expected preliminary profits left J. F. Nash Securities 5 higher at 49p. Lampa Securities gained 9 to 108p, after 110p, and Challenge Corporation closed 7 to the good at 150p. Lubok Investments hardened a shade to 15p, after 15½p, on Press suggestions that a bid may be in the offing.

Shippings failed to attract much business, but generally closed firmer for choice.

Courtaulds hardened 4 to 155p in Textiles, where John Haggas rose 15 to 290p in a thin market.

Tobaccos managed to edge forward in light trading. Ahead of to-day's results, Tobacco Securities Trust improved 2 to 235p with the Deferred 10 higher at 855p.

Firm South African Industrials had Anglo American Industrials and O.K. Bazaars both 30 higher at 680p and 750p respectively.

Demand for Coppers

Anticipations of an increase in demand for copper in the coming year and the current improvement in the price of the metal enabled shares of the metal's producers to steal the limelight in mining markets.

A persistent local and Continental demand in a market short of stock left share prices showing substantial rises.

Gains ranged to 40 in Palabora (840p), with "Tanks" 16 higher at 170p and ZCI 5 better at [illegible]. Botswana RST and Minorco both rose 10 to 70p and 232p respectively.

In generally firm Financial issues with sizeable copper interests were particularly in demand. RTZ advanced 10 to 201p and Charter Consolidated rose 7 to 190p. Overseas Financials gained ground in line with the rise in the investment dollar premium.

Union Corporation moved up to 470p before closing at 450p, a rise on balance of 25 on Cape and local buying. Anglo American gained 10 to 365p, after 370p. In quiet Platinums, Lydenburg hardened to 110p. Tins were neglected.

South African Gold shares did little more than mark time despite the steadier bullion price which was finally 75 cents better at $139.25 per ounce. Initially prices tended to drift in front of to-day's International Monetary Fund meeting, but small U.S. interest in later dealings reduced falls and the Gold Mines index was a mere 0.3 down at 242.9.

Australians were higher, in line with the trend in overnight home markets and the investment premium. MIM Holding rose 10 to 226p, as did Peko-Wallsend to 445p. Western Mining gained [illegible] to 152p, while speculative buying left Westmex 3½ up at [illegible]. Bougainville rose 4 to 101p despite the news of a pay dispute at the mine.

Elsewhere, Northgate were [illegible] higher at 260p helped by the investment premium, while an Irish demand left Sabina harder at 97p.

FINANCIAL TIMES STOCK INDICES

	Jan. 6	Jan. 5	Jan. 2	Dec. 31	Dec. 30	Dec. 29	A year ago
Government Secs.	61.01	60.46	60.19	59.83	59.77	59.66	[illegible]
Fixed Interest	60.16	60.01	59.73	59.54	59.38	59.17	[illegible]
Industrial Ordinary	384.6	381.6	384.8	375.7	374.8	368.1	[illegible]
Gold Mines	242.9	243.2	246.9	236.0	236.4	232.7	[illegible]
Ord. Div. Yield %	5.47	5.50	5.46	5.58	5.58	5.67	[illegible]
Earnings Y'ld % (full) (a)	15.25	15.35	15.24	15.58	15.58	15.83	[illegible]
P/E Ratio (net) (a) (b)	9.62	9.55	9.63	9.41	9.41	9.26	[illegible]
Dealings marked	8,389	7,117	4,317	6,003	4,952	2,952	[illegible]
Equity turnover £m.	—	62.38	46.56	40.92	57.75	28.92	[illegible]
Equity bargains total	—	19,531	11,569	13,713	14,291	9,445	[illegible]

10 a.m. 383.1. 11 a.m. 382.9. Noon 383.1. 1 p.m. 383.8. 2 p.m. 382.6. 3 p.m. 383.0.

Latest Index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=9.34.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1975/6 High	1975/6 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.34 (20/5)	49.18 (6/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.51 (21/5)	50.53 (6/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	384.8 (2/1)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5)	218.4 (1/12)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Jan. 6	Jan. 5
Daily		
Gilt-Edged	227.4	[illegible]
Industrials	284.8	[illegible]
Speculative	50.6	[illegible]
Totals	190.9	[illegible]
5-day Av'ge		
Gilt-Edged	171.4	[illegible]
Industrials	199.8	[illegible]
Speculative	47.9	[illegible]
Totals	140.1	[illegible]

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section.

	Equity groups	Tue. Jan. 6, 1976 Index No.	Day's Change %	Est. Earnings Yield % (Max) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) (Corp. Tax 52%)	Est. P/E Ratio (nil) (Corp. Tax 52%)	Monday Jan. 5 Index No.	Friday Jan. 2 Index No.	Wed. Dec. 31 Index No.	Tuesday Dec. 30 Index No.	Year ago (approx) Index No.	1975/76 High	1975/76 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (178)	144.13	−0.3	16.05	5.84	9.37	9.37	144.61	143.66	142.01	141.83	52.45	144.61 (6/1/76)	51.78 (6/1/75)	205.57 (4/5/72)	50.71 (13/12/74)
2	Building Materials (29)	141.69	−0.2	12.19	5.92	12.54	12.55	142.03	140.77	139.52	140.06	45.20	142.03 (5/1/76)	45.11 (6/1/75)	233.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	248.66	−0.9	14.38	3.87	10.75	10.75	250.79	248.41	246.86	245.60	75.37	263.54 (18/11)	74.74 (6/1/75)	389.33 (19/5/72)	71.48 (12/12/74)
4	Electricals (16)	250.60	−1.0	17.42	4.74	8.41	8.41	253.11	250.93	244.65	243.61	101.89	254.66 (18/11)	98.49 (2/1/75)	350.04 (4/5/72)	84.71 (25/6/66)
5	Engineering (Heavy) (13)	163.90	−0.2	19.76	7.16	7.71	7.71	164.29	163.95	163.38	160.10	65.30	164.29 (5/1/76)	64.39 (2/1/75)	202.57 (8/6/73)	64.39 (2/1/75)
6	Engineering (General) (63)	125.93	—	17.47	6.71	8.59	8.58	125.88	125.46	124.67	124.82	45.78	125.93 (6/1/76)	45.43 (6/1/75)	168.59 (4/5/72)	45.43 (6/1/75)
7	Machine and Other Tools (9)	51.41	+0.4	16.42	8.21	10.97	10.97	51.19	51.29	50.90	49.99	20.49	51.41 (6/1/76)	20.11 (2/1/75)	136.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (25)	122.92	+0.3	18.94	6.72	8.96	8.96	122.52	121.55	120.36	120.31	51.05	122.92 (6/1/76)	49.65 (6/1/75)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (56)	122.81	+0.1	15.00	5.10	10.05	10.04	122.68	121.87	120.46	119.16	38.80	122.81 (6/1/76)	38.39 (6/1/75)	227.78 (21/4/72)	38.39 (6/1/75)
10	Electronics, Radio TV etc. (15)	140.64	+0.3	13.22	3.81	11.31	11.29	140.17	139.18	136.95	135.78	44.48	140.64 (6/1/76)	44.28 (6/1/75)	257.41 (19/5/72)	42.85 (12/12/74)
11	Household Goods (14)	172.04	+1.5	14.13	6.20	10.40	10.36	169.44	168.58	168.47	167.89	65.10	172.04 (6/1/76)	64.53 (6/1/75)	263.28 (4/5/73)	63.92 (17/12/74)
12	Motors and Distributors (27)	70.05	−0.9	18.37	6.81	8.36	8.36	70.65	70.24	69.58	68.36	20.33	70.65 (5/1/76)	19.91 (6/1/75)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	152.90	+0.3	13.02	5.69	11.33	11.22	152.39	152.09	149.57	149.62	63.06	152.90 (6/1/76)	61.98 (6/1/75)	226.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (15)	162.38	+0.1	13.10	6.45	11.57	11.57	162.22	161.14	158.74	159.90	76.56	172.53 (12/11)	75.56 (6/1/75)	281.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	178.41	+0.3	10.37	5.65	14.63	14.63	177.86	177.24	175.06	174.99	81.51	178.41 (6/1/76)	80.42 (6/1/75)	257.40 (13/7/72)	76.61 (13/12/74)
16	Entertainment, Catering (16)	188.48	—	11.51	6.45	13.92	13.26	188.54	189.84	187.12	187.33	56.25	189.84 (2/1/76)	55.28 (6/1/75)	328.99 (12/12/72)	54.67 (19/7/74)
17	Food Manufacturing (22)	165.21	−0.5	12.79	5.00	10.94	10.86	166.05	164.29	162.39	162.41	62.80	166.80 (18/11)	62.03 (2/1/75)	211.65 (1/6/72)	59.78 (11/12/74)
18	Food Retailing (16)	144.24	−0.7	11.00	4.80	13.23	13.23	145.24	145.23	143.28	143.11	58.59	155.88 (10/11)	57.15 (2/1/75)	235.08 (15/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	164.81	+0.5	13.86	6.13	10.80	10.80	164.07	163.47	162.53	162.25	56.13	164.81 (6/1/76)	55.08 (6/1/75)	250.29 (18/1/72)	55.08 (6/1/75)
20	Packaging and Paper (13)	106.51	+0.3	20.72	7.17	7.18	7.19	106.21	105.90	104.13	103.79	44.48	107.12 (20/5)	43.46 (6/1/75)	135.69 (26/4/72)	43.46 (6/1/75)
21	Stores (33)	129.10	+1.7	11.69	5.24	13.08	13.08	126.90	126.69	123.43	123.02	53.75	132.94 (24/10)	52.63 (6/1/75)	204.39 (16/8/72)	52.63 (6/1/75)
22	Textiles (22)	166.96	+0.4	14.26	6.47	9.03	8.47	166.22	165.60	163.14	163.62	64.29	166.96 (6/1/76)	62.91 (6/1/75)	253.72 (17/8/68)	62.66 (11/12/74)
23	Tobaccos (3)	221.34	−0.3	15.68	6.09	9.71	9.71	222.05	223.99	220.70	221.21	111.85	223.99 (2/1/76)	109.92 (6/1/75)	339.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	62.22	−0.2	22.99	6.39	6.09	6.09	62.35	62.21	62.14	61.91	21.07	63.76 (20/11)	20.92 (6/1/75)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (94)															
25	Chemicals (24)	199.45	−0.2	14.04	4.83	9.99	9.98	199.82	199.46	197.53	197.10	75.89	199.82 (5/1/76)	73.14 (6/1/75)	201.92 (31/1/69)	71.20 (1/12/74)
26	Office Equipment (10)	85.89	+0.5	15.52	6.06	9.03	9.03	85.43	85.09	85.10	84.78	48.20	104.78 (17/4)	45.34 (2/1/75)	246.06 (1/9/72)	45.34 (2/1/75)
27	Shipping (12)	370.10	+0.1	20.37	6.56	6.28	6.03	369.59	372.65	368.42	363.11	195.62	404.18 (18/11)	194.38 (6/1/75)	517.00 (5/12/72)	90.80 (29/6/62)
28	Miscellaneous (48)	157.98	−0.3	15.05	6.68	9.77	9.77	157.46	156.79	154.77	153.76	62.05	157.98 (6/1/76)	60.39 (6/1/75)	268.83 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	152.65	+0.1	14.32	5.67	10.23	10.18	152.51	152.00	149.96	149.67	60.33	152.65 (6/1/76)	59.19 (6/1/75)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	340.81	+0.7	14.76	4.72	7.56	6.77	338.52	338.25	331.56	332.20	114.37	340.81 (6/1/76)	106.83 (2/1/75)	451.66 (29/5/69)	87.26 (29/5/62)
31	500 SHARE INDEX	168.31	+0.2	14.59	5.53	9.70	9.44	168.00	167.51	165.08	164.88	64.94	168.31 (6/1/76)	63.49 (6/1/75)	237.98 (18/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	138.69	+0.5	—	5.09	—	—	137.97	139.13	136.02	135.44	56.85	148.45 (20/5)	56.50 (6/1/75)	241.41 (1/4/72)	55.88 (13/12/74)
33	Banks (6)	168.44	+0.3	17.30	4.78	8.83	8.83	167.87	168.63	165.62	165.90	64.54	177.11 (5/6)	62.56 (3/1/75)	288.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (9)	177.15	−0.7	—	6.96	—	—	178.36	180.24	175.05	172.22	84.40	180.24 (2/1/76)	84.15 (6/1/75)	298.13 (2/7/72)	81.40 (10/12/74)
35	Hire Purchase (5)	109.94	+4.0	—	6.00	—	—	106.72	104.50	103.58	103.58	43.28	134.39 (10/5)	42.81 (6/1/75)	433.72 (4/5/72)	38.85 (11/12/74)
36	Insurance (Life) (9)	120.74	+0.9	—	5.66	—	—	119.70	121.81	117.40	115.84	46.23	129.51 (18/11)	44.88 (2/1/75)	194.46 (15/5/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	106.09	+0.7	—	6.47	—	—	105.32	107.66	105.57	104.93	45.57	123.90 (20/5)	44.47 (2/1/75)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance (Brokers) (10)	219.16	−0.4	9.64	4.14	15.63	15.63	218.26	221.93	218.83	217.20	68.96	232.39 (18/11)	68.96 (7/1)	262.37 (12/12/72)	65.86 (16/12/74)
39	Merchant Banks (17)	87.16	−0.8	—	6.22	—	—	87.87	86.09	85.31	85.17	31.21	94.97 (7/5)	31.21 (7/1)	278.57 (1/5/72)	31.21 (7/1/75)
40	Property (32)	181.88	+0.5	2.67	2.67	68.74	64.25	181.03	180.79	174.49	173.77	88.19	241.22 (22/4)	88.19 (7/1)	357.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (5)	82.72	+0.9	15.79	6.57	9.99	9.91	81.99	80.87	80.39	79.49	34.90	82.72 (6/1/76)	34.78 (10/1)	303.13 (12/5/72)	33.29 (17/12/74)
42	Investment Trusts (50)	171.70	+0.8	2.93	4.16	34.14	34.12	170.32	168.87	168.64	168.50	74.28	178.63 (6/6)	73.43 (6/1/75)	245.79 (25/4/72)	71.64 (13/12/74)
43	ALL-SHARE INDEX (650)	161.15	+0.3	—	5.37	—	—	160.70	160.52	158.08	157.80	63.33	161.15 (6/1/76)	62.16 (6/1/75)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	419.52	+0.7	15.28	7.99	10.08	10.02	416.64	411.56	402.82	399.49	284.11	525.43 (23/6)	281.66 (2/1/75)	568.37 (23/7/73)	84.68 (26/8/65)
45	Teas (9)	119.00	—	39.73	8.70	3.70	3.64	119.00	118.41	118.41	118.59	76.84	124.37 (11/11)	76.76 (10/1)	124.67 (11/11/75)	59.72 (17/10/74)
46	Coppers (3)	293.97	+9.2	33.06	5.75	3.03	3.03	273.74	269.17	261.46	258.50	377.44	467.74 (27/5)	251.97 (16/12/75)	567.78 (15/1/75)	94.08 (29/4/63)
47	Mining Finance (11)	116.99	+1.7	10.10	4.30	11.19	11.19	114.99	114.19	113.15	112.63	83.63	141.34 (30/5)	80.58 (22/1)	176.90 (28/4/69)	66.31 (30/9/74)
48	Tins (8)	94.13	−0.8	13.29	9.59	10.74	10.08	94.86	94.75	93.54	91.12	59.04	114.49 (3/6)	58.91 (6/1)	125.45 (12/1/73)	54.83 (27/5/71)
49	Overseas Traders (13)	229.66	−0.1	14.60	4.55	8.76	8.76	229.82	229.55	227.93	223.57	—	252.25 (20/5)	97.37 (6/1/75)	252.25 (20/5/75)	97.37 (6/1/75)

	FIXED INTEREST	Tuesday Jan. 6 Index No.	Tuesday Jan. 6 Yield %	Monday Jan. 5	Friday Jan. 2	Wed. Dec. 31	Tues. Dec. 30	Monday Dec. 29	Wed. Dec. 24	Tuesday Dec. 23	Year ago (approx.)	1975/76 High	1975/76 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	14.30	14.49	14.58	14.67	14.67	14.66	14.74	14.74	16.83	—	—	—	—
2	20-yr. Govt. Stocks (6)	48.65	13.36	47.85	47.56	47.50	47.34	47.20	47.05	47.02	39.89	53.09 (30/5)	38.27 (3/1/75)	115.42 (11/9/63)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	47.03	15.70	47.00	46.68	†46.67	†46.75	†46.62	†46.82	†46.75	37.29	50.68 (21/5)	37.01 (3/1/75)	115.43 (25/10/63)	37.01 (3/1/75)
4	Investment Trust Prefs. (15)	46.55	14.86	46.55	46.50	46.55	46.79	46.79	47.05	47.05	35.53	47.50 (29/7)	35.55 (3/1/75)	114.41 (15/8/65)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	63.63	14.92	63.24	62.76	63.01	62.80	62.61	63.37	63.73	47.71	66.02 (6/8)	47.67 (6/1/75)	114.96 (1/10/65)	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/73	100.00	Miscellaneous Financial	31/12/70	128.06
Engineering (Heavy)	31/12/71	153.84	Food Manufacturing	29/12/67	114.13
Engineering (General)	31/12/71	153.84	Food Retailing	29/12/67	114.13
Wines and Spirits	16/1/70	144.76	Insurance Brokers	29/12/67	96.67
Toys and Games	16/1/70	135.72	Mining Finance	29/12/67	100.00
Office Equipment	16/1/70	162.74	All Other	10/4/62	100.00
Industrial Group	31/12/70	128.20	† Redemption yield.		

Calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p. † Corrected.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975/6 high	1975/6 low
Marks & Spencer	25p	12	104	+ 5	128	47½
Eagle Star 'New'	Nil/pd.	10	22*	+ 4	22*	13*
ICI	£1	10	341	+ 4	341	118
T'falgar Hse 'New'	Nil/pd.	10	23*	− 1	27*	23*
Thorn Elec. 'A'	25p	9	232	+ 6	232	75
Barclays Bank	£1	8	305	—	325	112
Burmah Oil	£1	8	32	− 1	100	27
Courtaulds	25p	8	155	+ 4	155	53
Debenhams	25p	8	94	+ 4	94	19½
GEC	25p	8	147	—	149	51
Ladbroke	10p	8	98	+ 2	99	33
RTZ	25p	8	201	+10	211	80
Shell Transport	25p	8	392	+ 2	395	118
Tube Invs.	£1	8	322	+ 2	322	121
Woolworth (F.W.)	25p	8	73	+ ½	73½	25½

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).
* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Jan. 7	Jan. 19	Apr. 1	Apr. 13
Jan. 20	Feb. 2	Apr. 14	Apr. 28
Feb. 3	Feb. 16	Apr. 29	May 11

"Calls" were arranged in Town and City Property, Mettoy, Dixons Photographic Ordinary, Capital and Counties, British Land, London City and Westcliff, Charterhall, Tricentrol John I. Jacobs and Land Securities. Wingate were dealt in for the "put" while double options were arranged in Capital and Counties Property, Lonrho, Newman Industries, Adwest, Town and City, Bryant Holdings MEPC, British Benzol and Berry Wiggins.

Industrials							
A. P. Cement	15	Guardian	20	Spillers	6	Shell	28
Assoc. Leisure	3	G.K.N.	22	Tesco	6	Ultramar	20
Barclays Bank	25	Hawker Sidd.	27	Thorn "A"	20		
Beecham	28	House of Fraser	8	Tube Invest.	27	Mines	
Boots Drug	12	I.C.I.	21	Unilever	40	Anglo Amer.	50
Bowaters	16	"Imps"	7	Utd. Drapery	10	Charter Cons.	19
B.A.T.	30	I.C.L.	7	Vickers	13	Chart'rh'll Fin.	6
British Leyland	7	Inveresk	7	Williams Hud'n	4	Cons Gold	18
BOC Int.	5½	Legal & General	13	Woolworths	6	De Beers Def.	35
Burton 'A'	7	Ladbroke	11			F.S. Geduld	350
Cadburys	6	Lloyds Bank	22	Property		Great Boulder	12
Courtaulds	11	"Lots."	8½	Amal. Inv.	4	Hampton Areas	14
Debenhams	8	"Mams"	6	Brit. Land	4	Hampton Prop.	4
Distillers	13	Marks & Sp'ncer	11	Cap. Counties	4½	Kloof	140
Dunlop	6½	Midland Bank	25	E.P.	8	Lonrho	13
Eagle Star	13	Nat'l West Bank	22	Land Securities	18	Loraine	55
E.M.I.	17	"do" Warrants	10	MEPC	9	Poseidon	55
Gen. Accident	16	P & O Dfd.	11	Peachey	6	Pres. Steyn	275
Gen. Electric	13	Plessey	8	Town & City	4½	Rio T.Zinc	20
Glaxo	35	R.H.M.	6	Town & Comm.	4	Welkom	55
Grand Met.	7	Rank Org. 'A'	18			West Areas	75
G.U.S. 'A'	17	Reed Int'l	23	Oils		Western M'ng.	16
		Rothmans	4	Brit. Petroleum	42		
		Slater Walker	5½	Burmah Oil	4		

NEW "HIGHS" AND "LOWS" FOR 1975/6

Too numerous to name individually, the 114 new 1975-76 highs recorded among securities listed in the Share Information Service yesterday are given below in their sub-sections. There were 2 new lows.

NEW HIGHS (114)

BRITISH FUNDS (9)
CORPORATION LOANS (5)
COM'WEALTH & AFRICAN LOANS (5)
AMERICANS (2)
BANKS (3)
BUILDINGS (5)
CHEMICALS (4)
DRAPERY & STORES (7)
ELECTRICALS (6)
ENGINEERING (12)
FOODS (5)
HOTELS (1)
INDUSTRIALS (19)
INSURANCE (2)
MOTORS (2)
NEWSPAPERS (3)
PAPER & PRINTING (1)
PROPERTY (4)
SHIPPING (1)
SHOES (1)
TEXTILES (5)
TRUSTS (9)
OILS (1)
OVERSEAS TRADERS (1)
MINES (7)

NEW LOWS (2)

ENGINEERING (1)
Beeston Foundry
MINES (1)
East Rand Prop.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	53	—	4
Corpns. Dominion and Foreign Bonds	25	2	37
Industrials	431	230	1,076
Financial and Prop.	221	67	305
Oils	10	5	19
Plantations	1	3	43
Mines	44	28	80
Recent Issues	25	5	17
Totals	800	340	1,579

POWER RESTORED TO DERBY HOMES

Almost all the 40,000 homes in Derbyshire which suffered power failures after the week-end gales, were reconnected by last night.

A spokesman for the Electricity Board said that extra teams were working yesterday to get supplies back to normal, and he hoped all but one or two would get back their power supply. The failures hit the Matlock, Chesterfield, Derby and Burton-on-Trent areas.

BASE LENDING RATES

AFI International	11 %
Allied Irish Banks Ltd.	11 %
Anglo-Portuguese Bank	11 %
Henry Ansbacher	11½%
Banco de Bilbao	11 %
Banco de Jerez	11½%
Bank of Cyprus	11 %
Bank of N.S.W.	11 %
Banque du Rhone S.A.	11½%
Barclays Bank	11 %
Barnett, Christie Ltd.	12 %
Bremar Holdings Ltd.	12 %
Brit. Bank of Mid. East	11 %
■ Brown Shipley	11 %
Cayzer, Bowater Co. Ltd.	11½%
Cedar Holdings	11 %
■ Charterhouse Japhet	11 %
C. E. Coates	11½%
Consolidated Credits	12 %
Co-operative Bank	*11 %
Corinthian Securities	11 %
Credit Lyonnais	11 %
G. R. Dawes	12 %
Duboff Brothers	12 %
Duncan Lawrie	11 %
English Transcont.	12 %
First London Secs.	11 %
■ Antony Gibbs	11 %
Goode Durrant Trust	11 %
Greyhound Guaranty	11 %
Grindlays Bank	11 %
■ Guinness Mahon	11 %
■ Hambros Bank	11 %
Hawtin & Partners	13 %
■ Hill Samuel	§11 %
C. Hoare & Co.	†11 %
Julian S. Hodge	12 %
Industrial Bank of Scot.	11 %
Keyser Ullmann	11½%
Knowsley & Co. Ltd.	12½%
Lloyds Bank	10½%
London & European	11½%
London Mercantile	11½%
Midland Bank	11 %
■ Samuel Montagu	11 %
■ Morgan Grenfell	10½%
National Westminster	11 %
Northern Comm. Trust	11 %
Norwich General Trust	11½%
Portman Guaranty	11 %
P. S. Refson & Co.	11 %
Rossminster Accept'cs	11 %
Schlesinger Limited	11½%
E. S. Schwab	12 %
Security Trust Co. Ltd.	12½%
Shenley Trust	12½%
Standard Chartered	10½%
Sterling Credit	12½%
Thames Guaranty	11 %
Trade Development Bk.	11 %
Twentieth Century Bk.	12½%
United Bank of Kuwait	10½%
Whiteaway Laidlaw	11½%
Williams & Glyn's	11 %
Yorkshire Bank	11 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 7%. 1-month deposits 7½%.
† 7-day deposits on sums of £10,000 and under 7%, up to £25,000 7½% and over £25,000 8½%.
§ Demand deposits 8½%.

CORAL INDEX
Close 385-390

I.G. INDEX
GOLD 138-141

INSURANCE BASE RATES

† Atlantic Assurance	12 %
Cannon Assurance	9½%

† Address shown under Insurance and Property Bond table.

MONEY MARKET

Adequate credit supply

Bank of England Minimum Lending Rate 11 per cent. (since January 2, 1976)

Day-to-day credit was in good supply in the London money market yesterday and the authorities did not intervene. Banks carried forward surplus balances from Monday, an unexpected amount of Government disbursements exceeded revenue payments to the Exchequer and the market was also helped by a small fall in the note circulation. On the other hand there was a net take-up of Treasury bills to finance, the authorities held maturing local authority bills, and settlement was made of very large official gilt-edged sales.

Discount houses paid around 10½ per cent. for secure call loans at the start and at the close funds were available at 9½-10 per cent., with some balances taken at around 8½ per cent.

Short-term fixed period interest rates recorded mixed changes, but were firmer overall. The three-month sterling certificate yield increased to 10⅞-10⅝ per cent. from 10⅝-10½ per cent.

Rates in the table below are nominal in some cases.

Jan 6 1976	Sterling Certificates of deposit	Interbank	Local Authority deposits*	Local Auth. negotiable bonds	Finance House deposits	Company deposits	Discount market deposits	Treasury bills φ	Bank bills φ	Fine trade bills φ
Overnight	—	10-10½	—	—	—	10¾-11	8½-10½	—	—	—
2 days notice	—	—	10⅛-10¼	—	—	—	—	—	—	—
†7 days or 7 days notice	—	10⅜-10⅝	10¼-10⅝	—	—	—	—	—	—	—
One month	10¾-10⅝	10[illegible]-10¾	10⅝-10½	11-10½	10¾-11	—	10¼-10⅝	—	—	—
Two months	10¾-10⅝	10[illegible]-10¾	—	11¼-10¾	10¾-11	—	10⅜-10½	10⅜-10[illegible]	10⅝-10[illegible]	11½-11
Three months	10¾-10⅝	10[illegible]-10[illegible]	10½-10⅝	11¼-10¾	10¾-11	—	10⅝-10½	10[illegible]-10[illegible]	10[illegible]-10[illegible]	11½-11
Six months	10[illegible]-10[illegible]	10[illegible]-10[illegible]	10¾	11-10½	10¾-11⅛	—	10¾	10[illegible]-10[illegible]	10[illegible]-10[illegible]	11½-11
Nine months	10¾-10[illegible]	10⅝-10[illegible]	—	11-10½	11⅛-11⅛	—	—	—	[illegible]	11½-11¼
One year	10[illegible]-10[illegible]	10⅝-10[illegible]	11⅛-11½	11-10½	11⅛-12	—	—	—	—	—
Two years	—	—	12⅛-12⅝	—	—	—	—	—	—	—

† Local authority and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage rate nominally three years 13 per cent.; four years 13¼-13½ per cent.; five years 13½-13¾ per cent. φ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 10⅞ per cent.; and four-month trade bills 11½-11¾ per cent. Approximate selling rates for one-month Treasury bills 10⅛ per cent.; two-month 10[illegible] per cent.; three-month 10[illegible] per cent. Approximate selling rate for one-month Bank bills 10[illegible] per cent.; two-month 10[illegible] per cent.; and three-month 10[illegible] per cent.; for one-month trade bills 11 per cent.; two-month 11 per cent.; and three-month 11 per cent.

Finance House Base Rate (published by the Finance Houses Association) 11½ per cent. from January 1. Clearing Bank Deposit Rate for small sums at seven days' notice 6½-7 per cent. Clearing Bank Rates for lending 10½-11 per cent. Treasury Bills: Average tender rates of discount 10.4922 per cent.

AUTHORISED UNIT TRUSTS

INSURANCE, PROPERTY, BONDS

REGIONAL MARKETS

...EMAS—(Cont.)

ART GALLERIES

OFFSHORE AND OVERSEAS FUNDS

S. G. Warburg & Co. Ltd.
30, Gresham Street, EC2 01-600 4555

Conv. Bond Jan. 6	$US9.48	+0.02	—
Energy Int. Jan. 6	$US12.42	+0.32	—
Gr. St. $Fd. Dec. 31	$US6.45	......	—

Warburg Invest. Mngt. Jrsy. Ltd.
8 Church St., St. Helier, Jsy, CI 0534 35611

CMF Ltd. Nov. 29	$US10.35	10.62	......	—
CMT Ltd. Nov. 29	£10.48	10.75	......	—
Metals Tst. Dec. 18	£9.22	9.51	......	—
TMT Dec. 11	$US9.96	10.22	......	—
TMT Ltd. Dec. 11	£10.25	10.52	......	—

World Wide Growth Management♦
10a, Boulevard Royal, Luxembourg.

World Wide Gth. Fd.	$11.28	+0.16	—

NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey yield. # Suspended. ☆ Single premium insurance bonds.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975/6 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99⅜	94	Exch 6½pc 1976‡‡	99	.....	6.54	10.56
97¼	92	Treasury 6½pc 1976‡‡	97½	+1/32	6.67	10.77
99	97	Victory 4pc 1976‡‡	98⅝	.....	4.04	—
102	96⅞	Treasury 10½pc 1976‡‡	99	.....	10.54	10.83
95¼	88⅞	Treasury 6¼pc 1977‡‡	95	.....	6.57	10.72
95¼	86¾	Electric 3pc 74-77	95¼	+⅛	3.15	7.24
103	96⅞	Treasury 11½pc '77‡‡	100	.....	11.40	10.88
93¼	84	Treasury 3pc '77‡‡	92	+⅛	3.26	7.69
92⅞	84⅛	Transport 4pc '72-77	92	+1/16	4.31	8.04
96	90½	Treasury 9pc 1978‡‡	95	+1/32	9.45	11.47
100	96	Treasury 10½pc '78‡‡	98½xd	+1/16	10.66	11.19
91½	79	Exchequer 5pc '76-78‡‡	91½	+½	5.49	8.55
103	94	Treasury 11½pc '79‡‡	100¼	.....	11.47	11.38
84	71½	Treasury 3pc '79‡‡	84	+	3.55	7.93
85	73⅞	Electric 4¼pc '74-79	85	+	4.97	8.88
100	94½	Treasury 10½pc '79‡‡	96¼	+	10.91	11.71
96¼	95	Do. 10½pc 1979 'A'	96¼	+	10.91	11.71
84	71	Electric 3½pc '76-79	84	+	4.14	8.24
95	84	Treasury 9pc 1980‡‡	91	+	9.88	11.77
95	89¼	Treasury 9½pc '80‡‡	92	+⅛	10.29	11.79
84¼	69¼	Treasury 3½pc '77-80	84¼	+⅜	4.15	7.75
86¼	71	Funding 5¼pc '78-80‡‡	86¼	+⅜	6.09	9.07
		Five to Fifteen Years				
98⅝	94	Treasury 11½pc 1981	98⅝xd	+⅛	11.66	11.87
82½	66⅛	Do 3½pc '79-81	82½	+⅜	4.24	8.08
91⅛	72⅝	Do 8½pc '80-82‡‡	86¾xd	+⅛	9.80	11.56
104⅜	86⅝	Treasury 12pc 1983‡‡	102⅞	+⅛	12.10	12.15
78	58	Funding 5½pc '82-84‡‡	75xd	+¼	7.33	10.10
85¼	61⅞	Treasury 8½pc '84-86‡‡	80¾xd	+⅜	10.52	11.72
73¼	51⅞	Funding 6½pc '85-87‡‡	70¾xd	+⅜	9.34	11.33
76¼	53	Treasury 7¾pc '85-88‡‡	72xd	+⅜	10.65	12.10
47¼	32⅞	Transport 3pc '78-88	47¼xd	+⅜	6.35	10.80
56⅞	39¼	Treasury 5pc '86-89	54⅞	+½	9.31	11.91
75½	53¼	Treasury 8¼pc '87-90‡‡	70⅛	+½	11.85	12.95
		Over Fifteen Years				

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude Inv. $ premium

AMERICANS

S.E. List Premium 65⅞% (based on $2.0330 per £)

CANADIANS

S.E. List Premium 65⅞% (based on $2.0330 per £)
Conversion factor 0.6067 (0.6055)

††BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS & CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

MINES

CENTRAL RAND

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£14¼	250	Durban Deep R1	350	−15	Q20c	ϕ	3.2
£14	490	E. Rand Prp. R1	490	−10	Q35c	ϕ	3.9
105	21	Rand Leases 25c	21	.....	—	—	—
£34½	£15¾	Randf'tn Est. R2	£17¾	−¼	—	—	—
500	130	West Rand R1	135	−5	Q10c	ϕ	4.1

EASTERN RAND

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
370	165	Bracken R1	195	−2	Q52c	1.0	14.7
23	5	Daggafontein 50c	9	.	—	—	—
105	33	East Dag R1	33		—	—	—
140	5	Grnt. Areas 5c	140#	.....	—	—	—
380	110	Grootvlei 30c	118xd	−7	Q20c	ϕ	9.4
820	385	Kinross R1	510	−5	Q54c	1.4	5.8
90	58	Leslie 70c	67	+2	Q18c	1.4	14.8
550	165	Marievale 70c	215xd	−10	Q42c	ϕ	10.8
725	175	S. African Ld 35c	205xd	−10	Q30c	ϕ	8.1
265	82	Vlakfontein R1	100xd	−3	Q20c	ϕ	11.1
£13¼	660	Winkelhaak R1	870	−30	Q108	1.1	6.9
120	33	Wit. Nigel 25c	39	−1	—	—	1.4

FAR WEST RAND

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£11	615	Blyvoor 25c	690	−5	‡Q100c	1.3	‡
£21½	£12¾	Buffels R1	£12¾	+⅛	Q180c	1.4	7.7
430	185	Deelkraal R0.20	198	+3	—	—	—
£14¼	590	Doornfontein R1	745xd	−10	‡Q110c	1.4	‡
£12¾	725	East Drie R1	950xd	..	Q75c	ϕ	4.4
450	172	Elsburg R1	185	..	Q33.8c	ϕ	10.1
£31	£15	Hartebeest R1	£17¼	−¼	Q215c	1.4	6.7
£13¼	620	Kloof Gold R1	680xd	−10	Q55c	1.4	4.5
£17¼	525	Libanon R1	740xd	.....	‡Q110c	1.9	‡
£13¼	600	Southvaal 50c	725xd	−15	Q8c	ϕ	0.6
480	200	Stilfontein 50c	210	..	Q36c	ϕ	9.5
£33¼	£17	Vaal Reefs 50c	£20¼xd	+¼	Q175c	ϕ	4.8
£11½	280	Venterspost R1	390xd	−10	‡Q70c	1.9	‡
£55	£33	W. Drie R1	£34½xd	−½	‡Q485c	1.2	†
745	275	W'st'rn Areas R1	305	−5	Q52c	ϕ	9.4
£23	£13	Western Deep R2	£14¼xd	−½	Q147½c	ϕ	5.5
536	275	Zandpan R1	285		Q35½c	1.0	6.9

O.F.S.

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
400	160	Fr. State Dev. 50c	160	..	Q14c	1.6	4.8
£32¼	£19	F.S. Geduld 50c	£21¼		330c	1.3	8.5
265	105	F.S. Saaiplaas R1	116	−4	Z6c	2.6	2.9
960	395	Harmony 50c	450	−5	Q77c	1.8	9.4
575	140	Loraine R1	182	−10	Q6c	0.5	1.8
£28¼	£15¼	Pres. Brand 50c	£17¼	.....	Q250c	1.3	8.0
£25¼	975	Pres. Steyn 50c	£13	+¼	Q125c	2.2	5.3
£39¼	19¾	St. Helena R1	£22¾	+¼	Q250c	1.2	6.1
340	160	Unisel	172	−2	—	—	—
525	245	Welkom 50c	280	.....	Q55c	1.7	10.9
£40	£21½	W. Holdings 50c	£23¾	.....	Q475c	1.2	11.5

FINANCE

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
520	313	Ang. Amer. 10c	365	+10	Q29c	2.0	4.4
£45½	£26¼	Ang. Am. Gold R1	£28¼	.....	†Q250c	1.4	4.9
£16¼	850	Ang-Vaal 50c	£12¼	+¼	†Q95c	3.7	4.2
205	87	Charter Cons.	190	+7	6.21	2.2	5.0
290	188	Cons. Gold Field	218	+4	6.7	4.3	4.7
32	17	E. Rand Con. 10p	19	.....	0.92	1.4	7.5
435	230	Geduld Inv. R1	320	.....	†Q34c	0.4	5.9
£38¼	£17	Gen. Mining R2	£24	+½	†Q210c	2.1	4.9
£39	£20½	G. Fields S.A. 25c	£22½	.....	Q225c	1.3	5.5
£27¼	£12	Jo'burg Cons. R2	£22½	+½	Q165c	2.5	4.0
530	60	Middle Wit 25c	325	+5	†Q28c	2.0	4.8
315	182	Minorco SBD1.40	232	+10	Q14c	—	3.3
305	140	New Wit 50c	155	.....	Q20c	1.6	7.1
£11	710	Patino NV Fl.5	840	+20	QC40c	10.5	2.3
£11	660	Rand Selection 50c	790	+10	Q75c	1.5	5.2
695	520	Selection Trust	515	+5	14.0	2.0	4.2
450	215	Sentrust 10c	225	.....	Q30c	1.2	7.4
81	27	Silvermines 2½p	47	+2	‡a4.0	1.6	‡
170	120	SW Africa 30p	120	−5	17.87	2.0	22.9
£14	560	T'vaal Cons Ld R1	£12	+1	Q65c	2.0	3.0
475	250	U.C. Invest R1	310	+20	Q36c	1.2	6.4
580	355	Union Crp. 6.25c	450	+25	Q42c	1.6	5.2

For Ver'n'ng see Ang. Am. Coal under Recents

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
105	30	Vogels 2½c	75	.....	Q6c	1.0	4.4

DIAMOND AND PLATINUM

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£35	£15¼	Anglo-Am. Inv 50c	£31	.....	Q290c	1.0	5.2
146	48	Bishopsgate Plt. 10c	100	.....	Q3.1	ϕ	1.7
333	161	De Beers Df. 5c	315	+5	Q25c	2.2	4.4
£17	£11½	Do. 40pc Pf. R5	£14	.....	1.10	125.5	7.7
152	80	Lydenburg 12½c	110	+3	Q2.9c	ϕ	1.5
248	100	Pot. Plat 2½c	162	.....	Q5c	1.0	1.7
212	94	Union Plat. 10c	138	.....	Q4.96c	1.0	2.0
212	95	Waterval 5c	138	.....	Q5.2c	1.0	2.1

CENTRAL AFRICAN

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
345	150	Coronation 25c	165	.....	Q34c	2.1	11.4
250	127	Falcon Rh.50c	127	.....	tQ35c	ϕ	—
52	32	Globe Phnix 12½p	40	.....	1.25	ϕ	4.8
24	14	Rho-Corp. 16⅔p	16	.....	Q5	8.0	5.2
440	150	Roan Cons. K4	170	+10	‡Q16.0	4.7	‡
230	92	Tanganyika 50p	170	+16	‡Q26	1.2	‡
75	60	Do. Pref. 80p	68	..	Q9	18.0	11.1
40	26½	Wankie Col. Rh.1	40	..	Q6½c	1.3	10.0
70	31	Zam.Cpr.SBD0.24	46	+5	Q1.90	3.2	4.1

AUSTRALIAN

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
28	10	Acmex 25c	20	−2	—	—	—
142	95	A. M. and S. 50c	140	+6	‡Q14c	1.5	‡
122	74	Bougainville 50c	101	+4	Q27½c	1.4	‡
242	145	BH South 50c	185	+5	—	—	—
215	55	Gold M. Kalg. $1	75	.....	—	—	—
85	36	Gt. Boulder 10c	75	+4	ϕQ2c	2.8	1.5
137	60	Hampton Areas 5p	65	+5	1.18	4.2	2.8
115	30	Metals Ex. 50c	40	.....	—	—	—
43	14	Metramar 30c	20	.....	—	—	—
246	117	M.I.M. Hldgs. 50c	226	+10	Q10c	1.8	2.5
135	80	M. Lyell 25c	95	.....	Q5c	ϕ	3.0
3	1½	Newmetal 10c	2½	+½	—	—	—
155	102	North B. Hill $1	150	+6	Q9c	1.4	3.4
16½	7	North Kalg. 30c	9	.....	—	—	—
88	47	Oakbridge $A0	73	.....	Q8c	6	6.3
21	8	Pacific Cppr. 25c	17	.....	—	—	—
950	220	Pancont'l 25c	920	.....	—	—	—
25	9	Paringa M&Ex.5p	9	.....	—	—	—
495	235	Peko-Walls'd 50c	445	+10	Q15c	ϕ	1.9
345	144	Poseidon 30c	190	.....	—	—	—
26	8	Vultan Mm. 50c	12	+1	—	—	—
7½	4	Westmex 10c	7½	+3½	—	—	—
214	137	W. Mining 50c	152	+6	‡Q8c	0.8	3.9
50	24	Whim Creek 20c	50	.....	—	—	—

TINS

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
56	32	Amal. Nigeria	41	.....	5.62	1.6	21.1
162	77	Ayer Hitam	160	−2	13.0	1.8	12.5
36	10	Beralt Tin	18½	+½	21.75	—	14.6
424	268	Berjuntai SM25	335	.....	‡Q5M2	ϕ	‡
18	13	Ex Lands 10p	16	.....	15	3.8	14.4
246	153	Geevor	155	.....	12	2.3	11.9
18	8	Gold & Base 12½p	10	.....	—	—	—
238	157	Gopeng Cons.	175	.....	‡14.25	ϕ	‡
73	55	Hongkong	64	.....	—	—	—
58	40	Idris 10p	56	.....	6.7	2.2	18.4
11	7	Jantar 12½p	7	.....	—	—	—
68	34	Kamunting 15p	35	.....	7.0	1.2	30.7
175	135	Killinghall	135	.....	Q50.0	ϕ	37.0
192	106	London Tin 20p	163	.....	7.0	1.3	6.6
220	93	Malay Dredging	177	+2	10.7	2.0	9.3
41	22½	ΔPahang	30	.....	Qh2.6	ϕ	13.3
65	41	Pengkalen 10p	45	.....	7.0	1.0	23.9
112	75	Petaling SM1	112	.....	—	—	—
23	8	Saint Piran	20	.....	0.63	3.5	4.8
135	68	South Kinta (10p)	95	.....	9.5	1.5	15.4
180	73	Sthn. Malayan	127	.....	10.7	0.9	13.0
83	35	Sungei Besi 20p	35	.....	‡6.0	3.0	‡
43	29	Sungei Way SM1	29	.....	ZQ10	—	6.0
84	48	Tanjong 15p	48	.....	4.35	2.3	13.9
75	50	Tongkah Hb SM1	52	.....	Q23%	0.6	8.4
93	42	Tronoh	71	+1	†4.02	3.5	8.7

COPPER

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
112	42	Botswana RST R2	70	+10	—	—	—
390	196	Messina R0.50	315	+20	Q35c	1.9	6.1

MISCELLANEOUS

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
8½	3	Burma Mine 17½p	8	.....	m0.5	—	1.7
65	17	Charterhall 5p	31	+2	—	—	—
115	40	Colby Mines $1	58	.....	—	—	—
830	360	Cons. Murch 10c	800	.....	Q80c	ϕ	5.5
53½	29½	Laurasia	34½	−1	—	—	—
375	200	Northgate C$1	260	+10	tQ25c	2.0	5.3
211	80	R.T.Z.	201	+10	g5.51	4.4	4.2
135	47½	Sabina Inds C$1	97	+2	—	—	—
81	45	Stanford Mines‖	45	.....	—	—	—
£12½	874	Tara Exptn. $1	£11¼	.....	—	—	—
92	38	Yukon Cons. C$1	88	.....	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- I Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✣ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend. P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations. xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 15

FINANCIAL TIMES

Wednesday January 7 1976

Campaign to stop Cowley militants

By Our Labour Correspondent

BRITISH LEYLAND and Transport and General Workers Union moderates at the company's Cowley, Oxford, assembly plant have launched a campaign aimed at preventing extreme Left-wingers from regaining power bases they were ousted from 18 months ago.

The management has warned the union that they will refuse to recognise Mr. Alan Thornett, the newly elected Trotskyist chairman of the TGWU's Cowley assembly plant, if he is elected a deputy senior shop steward in shopfloor elections next week.

And Mr. Reg Parsons, senior TGWU steward and leading moderate, claimed yesterday that the activities of extreme Left-wingers had resulted in a "beehive of extremist activity" in the plant.

The company first withdraw recognition from Mr. Thornett in the spring of 1974—sparking off an 18-day strike by 150 drivers in his transport department—after accusing him of contravening agreements and being unwilling to keep men at work while problems were discussed.

Warning

The TGWU held an inquiry into the operations of extremists in the Cowley branch and decided to set up a new separate branch for the assembly section. Mr. Thornett failed to win election to branch office in subsequent elections.

Mr. Thornett—now a leading member of the Workers Socialists League, a breakaway organisation set up by former members of the Workers' Revolutionary Party — was accepted by management as a shop steward in the transport department but warned that they would not afford him any other facilities.

His recent election as assembly branch chairman and nomination as one of the seven deputy senior stewards have prompted management to reiterate that they will not tolerate him in any more senior post.

These two parties, together with the International Marxist Group were named yesterday as being part of the extremist activity in the plant.

Elections

This charge came from Mr. Reg Parsons, the Moderate recently returned as senior shop steward. He told a special Press conference yesterday that he was frightened of the consequences if subversive elements were allowed to continue undermining genuine trade union activity in the works.

Mr. Parsons, who admits to being a former WRP member himself, warned that he might not be able to continue as senior steward if the militants do well in next week's elections.

"I cannot stand up and talk to management when I know at the same time our own organisation is suffering from this internal antagonism, these dangerous elements, these anarchists."

He stressed that Leyland was now in a position where it cannot afford incompetent management or destructive elements on the shopfloor.

● Elections take place to-day for 15 union representatives to sit on the national joint management council — the top tier in Leyland Cars' three-tier worker participation structure. This should allow the first meeting of the national council to be held towards the end of the month.

U.K. car output falls and Chrysler finance deal, Page 7; Car delivery strike, Page 9

BSC manual workers to get 5% rises in £10m. deal

BY LORELIES OLSLAGER, LABOUR STAFF

THE British Steel Corporation—expected to loose £340m. this financial year—yesterday agreed to pay rises of around 5 per cent. to about 67,000 manual workers. It estimates that this will add about £10m. to its annual wage bill.

A corporation spokesman said the increase had been anticipated in the loss calculations.

The pay talks, which will be followed by negotiations for another 90,000 employees to-day, took place against the background of BSC's struggle with the unions over its plans to save £200m. in its labour costs this year.

There were several hints yesterday that the feared showdown between unions and management over the economy plan might be avoided, but neither side disguised the fact that a solution would be extremely hard to find.

Sir Monty Finniston, the corporation's chairman, saw a number of union leaders yesterday to discuss the overall situation. He said afterwards that he had impressed "the facts of life" upon them and that the BSC could not continue in its present situation.

He indicated that the Corporation was ready to seek an agreed solution with the unions during the next round of talks to-morrow rather than go ahead unilaterally with its present economy plan.

Mr. Bill Sirs, the general secretary of the Iron and Steel Trades Confederation—the biggest union in the steel industry — said he expected that "we shall find a solution in the end. "The Corporation will push us as hard as they can, but I believe in the end we will have some degree of success in persuading them of the gravity of the steps they were preparing to take."

He made clear that the union's main concern was preservation of the guaranteed week agreement and prevention of plant closures.

Yesterday's pay agreement with the ISTC covering about 67,000 manual workers follows an appeal from the BSC to the unions last week to forego their current pay claims.

The rise is being paid as compensation for the increase in the cost of living between September and December 1975. It will be paid from January 4.

The exact increase will only be determined when the December Retail Price Index has been published, but it is estimated at around 5 per cent.

The cost-of-living adjustment was provided for in a 19-months pay agreement the ISTC concluded with the BSC in June. A 3.5 per cent. increase was paid in October.

The total 8.5 per cent. rise means that some workers will get more than £6, but others will receive less. As the ISTC agreement was concluded before the present pay policy came into force the new rise does not breach its provisions.

Mr. Sirs said the union had agreed not to present any further pay claims this year, but to-day, unions representing some 30,000 craftsmen, will be asking for full cost-of-living compensation for between June and December as well as a £6-a-week increase for 1976.

This appears to be in clear conflict with the policy, which says that cost of living adjustments paid since August must be offset against any new pay deal.

● All steel production stopped yesterday at the giant Port Talbot plant in Wales, because of a strike by about 1,000 workers in protest against the BSC's attempt to abolish well-paid week-end working.

In line with the present conciliatory mood over the economy measures, BSC is not expected to lay off any of the plant's 14,000 workers until the result of to-morrow's meeting is known.

At Llanwern, 150 blastfurnacemen imposed an overtime ban because of alleged undermanning on the new £27m. high-capacity furnace which BSC plans to have in operation in about six weeks' time after its pay agreement with the National Union of Blastfurnacemen.

The men are also claiming that the existing furnace at Llanwern is undermanned.

MPs' probe into BSC, Page 8

Junior doctors gain extra £2.3m. in independent audit

BY CHRISTIAN TYLER, LABOUR STAFF

ONE OF the bitterest arguments in the dispute between the Government and junior hospital doctors was virtually resolved yesterday by a report which showed that the doctors' overtime pay bill for the year is likely to be £2.3m. larger than earlier estimated.

The Government, which because of the pay policy has refused to increase the overtime bill to meet doctors' demands for better rates, last summer estimated the 1975-76 bill at £11.9m.

But an independent audit of later statistics by the City firm of Price, Waterhouse, published yesterday puts the figure at £14.186m., largely, it appears, because doctors have been working longer hours than formerly.

The £2.3m. increase forecast for the year ending March 31, 1976, is far less than many doctors claimed it would be — estimates of as much as £26m. were current at one point—and will mean very little extra money available for individual doctors when their new contracts are drawn up.

It will be for the doctors' independent pay review body to decide how this "extra" money can be used in the redistribution of overtime pay according to new contracts.

At present doctors are paid overtime—at 30 per cent. of basic rate when working or 10 per cent. on call—after 80 hours a week, but they have won agreement from the Government that the standard working week should be 40 hours in future.

Whether the result of the audit will renew the militancy of doctors who suspended their damaging industrial action just before Christmas may emerge from a meeting of their national executive committee to-day.

But decisions will not come before next week when the full 55-member national committee, representing 19,000 doctors, is reconvened.

The audit's suggestion that the bulk of the increase is due to more hours being worked, not under-reporting, bodes ill for those hoping to see rates improved or "standard" hours reduced to 40 instead of the 44 so far proposed by the review body for the new contracts. One of the junior doctors leaders, Dr. Martin Baylis, deputy chairman of their national committee, said nothing had been gained and warned doctors might even cut their hours to 40.

The audit exposed some deficiencies in the area health authorities' reporting of the figures, but concluded that these were marginal to the result. The report largely exonerates the Department of Health of accusations by some militants that the original figures were a "fiddle."

Doctors' leaders, who have all along expressed their wish to remain within the pay policy, will regard the report as a victory in principle, though a small reward for their persistence, and concentrate on getting final settlement of their new contracts, possibly next month.

This is because a 40- or 44-hour week will eventually be a platform for negotiating far higher overtime earnings

Portugal confirms recent gold sales

By Paul Ellman

LISBON, Jan. 6.

PORTUGAL to-day confirmed that it has been selling part of its gold reserves. The announcement came from the Finance Ministry, which said just under four tonnes of gold had been off-loaded recently.

Although the amount represents only half of one per cent. of the country's total gold reserves—officially put at 800 tonnes—the announcement was seen here as signifying that Portugal had not been as successful as it had hoped in raising credits through the International Monetary Fund as part of the process of meeting its record balance of payments deficit.

The announcement was also expected to produce a fresh political controversy over responsibility for the draining away of the country's once massive gold and foreign currency reserves in the 21 months since the coup of April 25, 1974.

Although the Finance Ministry said that the four tonnes, worth at present prices around $18m., had been sold on the international market on an "exploratory" basis, it is believed that the sale was conducted through central banks of countries sympathetic to the Portuguese Government.

Oil facility

Officially, to-day's announcement was designed to counter speculative reports in local and French newspapers that Portugal has been forced to sell up to 100 tonnes recently. The communique coincided with the meeting in Jamaica of the IMF's 20-nation interim committee which is to discuss the proposed sale of 25m. ounces of gold held by the Fund—almost the equivalent of the total Portuguese holding.

Although the Fund last month approved an allocation of 80m. SDRs to Portugal under its oil facility this represents only half the total set aside for Portugal.

Lisbon officials, who had been counting on a relatively smooth passage from the Fund, have now found themselves confronted with a number of tough conditions which they are struggling to reverse. These are believed to include a devaluation of the Escudo of at least 30 per cent. along with harsher austerity measures than the Government has imposed up to now.

In the case of energy saving, for example, it has been pointed out to Portugal that a 40 per cent. increase in the price of petrol imposed at New year is likely to have only a relatively marginal effect since petrol for motoring represents less than 15 per cent. of the country's oil consumption.

State industry

Among the arguments presented in favour of a major devaluation is that it would increase the oil bill to such an extent that the Government would be forced to cut industrial consumption by dropping its present strategy of propping up state-owned concerns which have passed the point of commercial recovery.

According to a report in the hands of Ministers here, of the 70 per cent. of Portuguese industry which fell into state hands early last year, at least 40 per cent. has reached this stage.

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Parties agree on land reform, Page 6

Heavy gilt buying exhausts long-dated 'tap' stock

BY MICHAEL BLANDEN

HEAVY BUYING of gilt-edged stocks yesterday brought further sharp price rises and exhausted supplies of the recently-issued long-dated "tap" stock.

The strong demand followed last week's cut in the Bank of England's minimum lending rate from 11¼ to 11 per cent. and the decision by Lloyds Bank to reduce its own base lending rate by ½ per cent. to 10½ per cent.

The other big banks have still not decided whether to follow the Lloyds move. But it is thought that they could come down later this week, and the view was being expressed in the City yesterday that they might even decide on a reduction of a full 1 per cent.

Figures released by the London clearing banks to-day show that there was an underlying fall in their lending in the short three-week period before Christmas. Taking the experience of the last three months together, however, the banks feel that the basic trend in lending may have turned slightly upwards after the sluggish performance through most of last year.

The downtrend in interest rates in London and the U.S. has been the main factor behind the strong buying of gilt-edged stocks. Yesterday this gained strength in late dealings to produce price rises of up to 1⅞ at the long end of the market.

The withdrawal of the long "tap," Treasury 13¾ per cent., 1997 "A," of which £750m. was issued early last month, came as a slight surprise to the market, which had expected the short "tap" to run out first. It is thought that a replacement for the long tap could be announced later this week.

The Bank of England's success in selling gilt-edged stock to the non-bank public is making a major contribution to financing the Government's borrowing requirement while enabling the authorities to hold down the growth of the money supply. Money supply actually fell in November, and may have shown little growth in December.

The gilt-edged sales are also reflected in the banking figures, with the London clearing banks showing a small fall of £9m. in their sterling deposits from non-bank U.K. residents in the period to mid-December against a normal seasonal increase.

The banks also disclosed that their sterling lending to the U.K. private sector dropped by £238m. during the period. The fall was rather more than would have been expected on seasonal grounds, and was largely in the manufacturing sector.

Taking into account the movements in the previous two months, however, the banks argue that "there was some underlying increase in total lending to the private sector."

Advances to the U.K. public sector also fell by £110m. This substantially reversed the increases of the previous two months, but the banks suggest that part of the fall may have arisen from a shift in borrowing from bank advances to short-term money markets.

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Weather

U.K. TO-DAY

MAINLY CLOUDY and mild but with some rain chiefly in Northern and Western areas.

London, Southern and S.W. England, E. Anglia, the Midlands, Channel Isles, S. Wales

Dry but mostly cloudy. Winds S.W., moderate. Max. 12C (54F).

Central Northern, N.W. and N.E. England, N. Wales, Lakes, Isle of Man, Borders, S.W. Scotland, N. Ireland

Cloudy with occasional rain. Winds S.W., moderate or fresh. Max. 10C (50F).

Edinburgh, Dundee, Central Highlands, Argyll

Bright at first, cloudy with some rain later. Winds S.W., fresh or strong. Max. 8C (46F).

N.W. Scotland, Aberdeen, Orkney, Shetland

Sunny intervals and a few showers. Winds S.W. fresh or strong. Max. 7C (45F).

Outlook: Changeable with periods of rain in most parts but some bright intervals.

Lighting-up: London 16.37, Manchester 16.37, Glasgow 16.31, Belfast 16.45.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Amsterdm.	C	9	48	Madrid	S	11	52
Athens	S	14	57	Manchstr.	C	9	48
Bahrain	S	16	61	Melbourne	C	20	68
Barcelona	S	13	55	Mexico C.	S	20	68
Beirut	S	12	54	Milan	S	8	46
Belfast	R	9	48	Montreal	C	—9	11
Belgrade	F	8	46	Moscow	S	—18	0
Berlin	F	2	36	Munich	R	5	41
Birmghm.	C	10	50	Newcastle	C	10	50
Bristol	C	11	52	New York	S	—4	25
Brussels	C	10	50	Oslo	R	—4	25
Budapest	C	3	37	Paris	C	9	48
B. Aires	S	24	75	Perth	R	17	63
Cairo	S	18	64	Prague	Sn	1	34
Cardiff	C	10	50	Reykjavik	Sn	1	34
Cologne	C	9	48	Rio de J'o	S	30	86
Copnhagn.	C	0	32	Rome	C	15	59
Dublin	Dr	10	50	Singapore	S	30	86
Edinb'gh	C	9	48	Stockholm	F	—5	23
Frankfurt	R	8	46	Strasbourg	C	8	46
Geneva	F	4	39	Sydney	C	23	73
Glasgow	Dr	9	48	Tehran	C	10	50
Helsinki	S	—10	14	Tel Aviv	S	14	57
H. Kong	S	17	63	Tokyo	C	11	52
Jo'burg	C	20	68	Toronto	C	—4	25
Lisbon	S	11	52	Vienna	Sn	1	34
London	C	11	52	Warsaw	Sn	—2	28
Luxembg.	R	6	43	Zurich	C	5	41

HOLIDAY RESORTS

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Ajaccio	S	14	57	Jersey	Dr	9	48
Algiers	S	15	59	Las Plms.	S	19	66
Biarritz	S	6	43	Locarno	S	5	41
Blackpool	C	8	46	Majorca	S	15	59
Bordeaux	C	8	46	Malaga	S	15	59
Boulogne	C	9	48	Malta	R	15	59
Casablnca.	F	17	63	Nairobi	S	23	73
Cape Tn.	S	25	77	Naples	Dr	12	54
Corfu	C	11	52	Nice	S	12	54
Dubrovnik	C	10	50	Nicosia	S	13	55
Faro	S	16	61	Oporto	S	13	55
Florence	C	12	54	Rhodes	S	11	52
Funchal	S	16	61	Salzburg	R	5	41
Gibraltar	S	16	61	Tangier	S	18	64
Guernsey	Dr	10	50	Tenerife	C	13	55
Innsbruck	C	2	36	Tunis	S	14	57
Inverness	C	5	41	Valencia	S	14	57
I. of Man	R	9	48	Venice	S	4	39
Istanbul	F	7	45				

S—Sunny. F—Fair. C—Cloudy. R—Rain. Dr—Drizzle. Sn—Snow.

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More troops for Ulster

Loyalists' political leaders, has already condemned the idea of Protestants taking the law into their own hands, but has made it plain that if Mr. Rees does not radically change his security policies and wage all-out war against the Provisional IRA, "We will have to look for other means." And those means, he said, "will be constitutional means. Perhaps a campaign that is going to go into the work force of this Province."

Mr. Rees has arranged to meet Mr. Patrick Cooney, the Irish Republic's Minister of Justice, in London to-morrow morning. This meeting is described as part of the continuing dialogue between the two countries about co-operation particularly over border security in South Armagh.

Although the area where the South Armagh killings took place is indisputably controlled by the Provisional IRA and no Republican rivals would be tolerated there, responsibility for the machine-gunning has been claimed by the South Armagh Republican action force, a label used to dissociate the Provos from particularly horrible crimes

With the Loyalists and the British Government at each other's throats over security policy, the Provisionals to-day not only denied complicity but announced that they have initiated peace moves to halt the sectarian war.

Before last night's Army moves, Mr. Airey Neave, Conservative spokesman on Northern Ireland, issued a statement calling for a clear lead from the Government and an indication of its determination to act with speed and urgency in an increasingly difficult security situation. "The Government can be assured that the Opposition will give its full support to measures designed to beat the terrorists," he said.

THE LEX COLUMN

Gilt market off the leash

As if to celebrate the anniversary of the first rally of the gilt-edged market in January 1975—on the same day that equities, with minimal lag, touched their bottom of 146.0 on the F.T. Index—gilts became still more enthusiastic yesterday. And although the short tap had seemed poised to run out for some days past, it was the long tap which actually gave up the ghost, all £750m. nominal of it (worth around £670m. at market prices) having apparently gone within 4½ weeks. This must have been the result of some fairly massive switching from the shorts into the long tap over the past couple of days, for at the end of last week the market had the impression that around half the long tap remained unsold.

Unleashed, gilt prices bounded ahead last night with gains topping 1½ points on the day. Our Government Securities Index rose 0.55 points to 61.01, only about 2 per cent. short of the peak on March 20 last year. American interest rates now seem no kind of threat, with the U.S. money supply running comfortably below target. And in the U.K. the latest clearing bank statement shows that private sector demand for credit continues to be very slack, while the small drop in deposits gives a strong clue to the underlying money supply trend.

But it could yet be that the authorities will seize this chance to lengthen the structure of Government debt. The long tap which has now run out was never moved up much by the Government Broker, yielding 15 per cent. to the end. A steep yield curve would help to push investors longer, aiding efforts to refinance the Treasury bill pool and cope with the increasing flow of gilt-edged redemptions. Simply at a tactical level the Bank may well wish to damp down excessive enthusiasm. Or the authorities may even try something completely different, as we speculated here yesterday.

Index rose 3.0 to 384.6

How the next long tap issue is handled will have more than usual relevance to the equity market, which was comparatively little affected yesterday either by the euphoria in gilts or the ebullient break by Wall Street up out of its sideways trading range.

Wilkinson Match

Wilkinson Match only looks like recouping about half last year's £3.5m. profits setback during 1975-76: after six months, the pre-tax total is £280,000 higher at £4.8m. with a larger improvement expected in the current half. The advance is fully explained by loss elimination of over £500,000 on wood interests now sold and it is a story of swings and roundabouts at the other trading divisions. The match side is £800,000 ahead at £3.7m.—back to the level of three years ago thanks mainly to price increases —and safety and protection is also well up. In contrast, the razor blade side has slipped £450,000 to £1.74m. and although WM has generally been holding market share, volume has been falling and margins have suffered from competitive pressures to offer more trade discounts and deals.

The problem areas—also including print and packaging—now seem to be stabilising and with more recovery to come from matches the full year pre-tax total could be around £9.5m., against £7.7m., for a prospective p/e of 9.2 per cent. and yield of 7¾ per cent. at 151p. This is not obviously over-demanding since the group is talking about "having passed through a difficult period" while liquidity is improving and the disposal programme and concentration of resources is largely complete (apart from certain engineering and packaging interests). A major qualification, however, is that the hopes at the time of the merger about an international consumer products group have hardly yet been fulfilled; until the benefits of the expansion of razor blades and matches, especially in Europe, and of fire protection equipment and writing instruments worldwide actually start to appear the shares are unlikely to attract a growth rating.

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Milk profits

Profits from milk are inflation linked. Under the latest target rate of profit to be agreed with the Ministry, the dairy industries' margins on milk are going up by six to 23 per cent. from 2.2p to 2.7p a gallon. And although there were signs yesterday of some disappointment with the size of the increase, the new agreement is clearly a fair enough deal.

For the analyst, the problem lies in trying to equate the new margin with overall profitability within the industry. The distorting factor is the retrospective margin award, and for 1974-75 this was worth as much as £3.1m. to Unigate. At this stage the new margin is not an accurate guide to Unigate's retrospective payment for the current year, but to judge by rule of thumb assumptions it will clearly help second-half earnings. If Unigate sells 1m. gallons of milk daily then the extra ½p—ignoring the low weighting between London and the provinces—is worth around £1.8m. in a full year, or 8 per cent. of Unigate's 1974-75 minority interest profits.

At any rate, outside growth projections of around 15 per cent. to over £20m. before tax now look comfortably assured for Unigate this year; and there are hopes that volume is beginning to recover after the last recent price rises.

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